



# The Nation's Business

Agriculture  
Mining  
Manufacturing  
Transportation  
Distribution



Finance  
Education  
Professions  
Government  
Altruism

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## Banking and Currency Reform

Several pages of this issue are devoted to the Owen-Glass Federal Reserve Act.

In the July issue the proposed Act as it then stood was thoroughly analyzed.

In the interval many changes have taken place, most of them in the direction of improvement.

Some of these changes have arisen from suggestions made by the Committee on Currency and Banking of the Chamber of Commerce of the United States of America, by the American Bankers' Association, by the National Citizens' League, and by other students of finance.

The large number of changes indicates the willingness of Congress to receive suggestions from the business world and to act upon them, in order that a good bill may be evolved and busi-

ness stability be increased rather than disturbed by the great financial readjustments involved in the bill.

A referendum of the Chamber on this subject will be mailed in the near future to the organizations constituting the Chamber of Commerce of the United States of America. By means of this referendum it is expected that this organization will be able to present to the President and to Congress a consensus of business opinion upon the bill, that will be truly representative of all parts of the country.

The Supplement printed in connection with this issue of The Nation's Business deals with expert discussions relative to the Owen-Glass bill and should be considered as part of the question as submitted in the Referendum pamphlet.

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G. GROSVENOR DAWE  
EDITOR

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UNQUESTIONABLY the most important event in the history of the Chamber of Commerce of the United States of America has been the trip of the Directors through the Western states between July 7 and July 27. As this trip must necessarily have a marked effect in creating a clearer understanding of the organization of the Chamber for the purpose of voicing the business opinion of all sections of the United States, it has been decided to include in this issue of THE NATION'S BUSINESS the speech of President Wheeler delivered in San Francisco, July 14, his comments upon the trip as a whole, and a running summary of events by the General Secretary. All this matter is commended to the consideration of our members everywhere.

THE second annual meeting of the Chamber of Commerce of the United States will be held in Washington, February 3, 4 and 5, 1914.

Announcement of details in the programme will be made from time to time. In addition to the pre-eminent importance of the affairs of the National Chamber itself, it is quite probable that the idea running through all sessions will relate to some one subject of supreme national moment, as for instance the stimulation of export trade.

Even at this early date each constituent organization might with advantage consider the personnel of its delegation and attend to the selection of its National Councillor, if so far unselected.

It is suggested that the officials of commercial organizations in all parts of the Nation should read the article on Secretarial training which appears elsewhere in this issue.

Mr. Cherington, the author, clearly outlines the scope of the secretarial field, the need of trained men, the increasing demand for paid secretaries, and the course of studies which will be offered by the Harvard Graduate School of Business Administration during the coming term.

Young college graduates who have not yet obtained a clearly defined idea of a desirable career should have their attention drawn to this article; for they will see that in the future commercial development of the United States there will be just as great honor extended to the man who undertakes constructive work for his community as to the man who triumphs along the lines of the older recognized professions. Incidentally he will see that associated with

the training for secretaryship will be a general business training that cannot fail to be of value in view of the accelerated commercial development of the United States.

Possibly in some communities there may be found young men of exceptional talent in connection with whom it would be a good investment on the part of a commercial organization to arrange for the needed tuition in return for two or more years of personal service to the organization after the course of instruction is ended.

THE Chamber of Commerce of the United States, by referendum of its organization members, stands for the adoption of the budget system in relation to government expenditures.

The good judgment of the Chamber in making such a united recommendation to Congress is confirmed by the financial operations of July, the first month in the present fiscal year. A deficit of \$9,682,682 is shown. This has not arisen from a decline in government receipts, which, as a matter of fact, have exceeded those of July 1912 by \$659,191 (July, 1912, \$1,353,992; July, 1913, \$60,231,524), but from the method of making appropriations without stopping to consider the sources of revenue.

The budget plan should, and, through the good sense of the nation, will ultimately be adopted. It will compel the Executive to report to the legislative branch the needs of all departmental activities and the expected revenue for the year. It will thus place upon Congress the full responsibility of making appropriations other than those asked for.

MUCH attention has been concentrated upon the discussions and amendments that have occurred in connection with the Owen-Glass Bill, both in Committee and in Caucus. This has held national attention so closely that it is possible the significance of the introduction of a bill providing for a Rural Banking System for the United States has been lost upon the public mind. Therefore in connection with the summary of the Owen-Glass Bill as it was finally presented to the Democratic Caucus, there has been included on the same page, a statement regarding Senator Duncan U. Fletcher's bill providing for a Rural Banking System. Space will be given in the next issue of THE NATION'S BUSINESS to an analysis of the Fletcher bill, since this and the Owen-Glass Bill are planned

to cover the entire financial problem of the nation, both agricultural and commercial.

The Fletcher Bill will be found adjusted to the peculiar demands of the farmer, which involves heavy capital investment, on one hand, and annually recurring temporary needs on the other. It represents an American interpretation of the European systems of rural finance and is the first result from the investigation of the American Commission, recently in Europe.

THIS issue contains a specially prepared group of statistics regarding port activities and the commerce of the United States during the year ending June 30, 1913.

In view of the Customs reorganization which became effective July 1 very definite interest attaches to many of the figures included in this issue, for customs districts that have been in existence more than a century will disappear entirely. If the lines of some of the old customs districts are still maintained the names of the districts have in some cases been changed.

Opportunity has been taken in connection with this survey of commerce to indicate how enormous has been the growth of commerce in the past 20 years, and it will be found that the decade from 1902 to 1912 was unmatched in the volume of increases both in exports and imports.

The analysis in connection with the customs district of New York is carried back to 1862, or half a century. The figures in connection with this analysis are particularly impressive, as they show that New York's percentage of the Nation's exports has been as high as 72% and never lower than 36%. Furthermore, that its percentage of the Nation's imports has been as high as 68% and never lower than 52%; while New York's percentage of the Nation's customs collections in the past 20 years is shown to be 65%.

Almost without exception the ports of the Nation can take courage from the record printed in this issue of THE NATION'S BUSINESS. There is a distinct connection shown between improved channel depths and increasing commerce. Special point is given to this phase in the mention of Mobile. The survey also shows that some comparatively new ports that have been brought into existence despite the lack of natural advantages are still potent in producing commercial results. Point is given to this statement by the comments upon Port Arthur, Gulfport, and Los Angeles.

ELSEWHERE in this issue will be found a very impressive statement prepared for THE NATION'S BUSINESS by Carl L. Alsberg, chief of the Bureau of Chemistry of the Department of Agriculture. He points out three defects or weaknesses in the Food and Drugs Act. The most startling of his statements relates to the futility of the guarantee label.

This article will be read with care by all those who guide the editorial thought of the Nation, for it would seem that producers of food products, as well as consumers, are at one in the desire to have the Food and Drugs Act become effective, not only in standards and in guarantees, but also in the obviation of loss by the destruction of articles that could be very easily denatured and thus rendered available for the arts without risk of perversion for human food.

Associated with this statement from Dr. Alsberg is a statement from Dr. W. D. Bigelow who, after 21 years in the Bureau of Chemistry of the Department of Agriculture has been called into a new phase of public work by the National Canners' Association. These purveyors of food products have decided to open a laboratory at the Nation's Capital, in order that by research, taken in common, they may

help all canners to approximate a standard of quality, of weights, and of method of preparation.

Much space was given in the last issue of THE NATION'S BUSINESS to the subject of canning and preserving. It was there shown that the total value of the canned and preserved foods of the United States for the year 1909 was \$112,000,000. Consequently the action of the National Canners' Association may be taken as an evidence of the desire of the manufacturers of food products to cooperate with the Government in protecting the public against adulteration, depreciation, and underweight.

FROM the beginning of the work of the Chamber of Commerce of the United States, the Worcester Chamber of Commerce has given to all questions involved in the work of the National Chamber or submitted by it to the business men of Worcester, most painstaking attention.

In view of the practical and responsive results secured from Worcester, C. Herbert DeFosse of Worcester, has been requested to set forth as a suggestion to other organizations, the exact plan followed. His reply is printed herewith:

"Following your request for information relative to the Department of the National Councillor representing the Worcester Chamber of Commerce our by-laws provide as follows:

"The President shall appoint a National Councillor who shall represent this Chamber in the Chamber of Commerce of the U. S. A. until his successor is appointed."

You will notice from this, that while officers in the Chamber are elected annually that the tenure of office on the part of the Councillor is indefinite, the purpose back of this being to keep the same councillor in office as long as possible in order that the councillor may in time acquire experience of ever increasing value to the Chamber, the theory back of this being that by keeping the same man in the office of councillor for a number of years he would become more useful to both the local and the national chamber. Another part of the by-laws reads:

"The president shall annually appoint a Committee on National Affairs which shall meet on the third Monday of each month at an hour to be determined by the Chairman unless notified to the contrary by him. The Chairman of this Committee shall always be the National Councillor."

### A POWERFUL COMMITTEE.

You will note from this that the intent of the writers of these by-laws was to create a powerful committee backing the Councillor in his deductions and having ready at all times a Committee of sufficient power to make the wishes of the National Chamber felt in this jurisdiction. The present Committee is composed of the National Councillor, Hon. George M. Wright, present mayor of the city of Worcester, the Hon. Edward F. Fletcher, former mayor of the city of Worcester; Hon. Charles T. Tatman, former Massachusetts Legislator, ex-President of this Chamber of Commerce and leading citizen; Edward M. Woodward, ex-President of this Chamber of Commerce, manufacturer and leading citizen. You will judge from this that the best men available were elected to this Committee. The Committee keeps up a system of files by which all the legislative and general bulletins are cross indexed by items of information so that practical results are obtained continually through the medium of the matter sent us by the National Chamber. This is true of all other sources of information sent here.

### OFFICE HOURS MAINTAINED.

The communications are considered by the Committee on National Affairs and sent to the Directors with recommendations assuring effective and useful results. The National Councillor also keeps regular office hours at the office of the Chamber when he is in the city. In addition to this the local Chamber has broadened out into a county affair and it is the purpose of the Committee on National Affairs to have associated with it every commercial organization in the county in order that they may be useful adjuncts to the work of the National Chamber.

The Committee on National Affairs keeps in particularly close touch with both the Committee on Foreign Trade and that on Manufactures or Domestic Commerce, thereby keeping itself in a position to transmit to these Committees at once all useful information.

C. HERBERT DEFOSSE,  
Vice-President,  
Worcester Chamber of Commerce.



# The Owen-Glass Federal Reserve Act

The Owen-Glass Federal Reserve Act which was carefully summarized in the July number of THE NATION'S BUSINESS, has been subjected to many changes in the interval.

These changes have been made by the majority members of the Committee on Banking and Currency of the House. The whole bill went before the Democratic Caucus of the House, on August 11th. Other changes may be made in caucus; or at least proposed and earnestly discussed.

The points wherein the Owen-Glass bill in its present form differs from its earlier form, can, in the main, be regarded as defining improvement. They give evidence of the very earnest heed which Congress is giving to the suggestions of business men relative to a subject that affects all business.

The Committee had before it various suggestions from the Currency and Banking Committee of the Chamber of Commerce of the United States, printed in the July issue of THE NATION'S BUSINESS; from the American Bankers' Association; from the National Citizens' League, and others, expert or otherwise.

As a result there are only three Sections of the bill that have come through the Committee on Banking and Currency unchanged. The chief is Section 26, "Loans on Farm Lands," which was formerly Section 27. This doubtless arises from the conviction that the section did not amply cover the subject, as will be realized by considering Senator Fletcher's bill (S. 2909) "To provide for the establishment, operation, management and control of a National Rural Banking System in the United States and for other purposes." This bill is referred to at more length elsewhere under the head "Rural Finance Progress."

## Notes by Sections

**Section 2. FEDERAL RESERVE DISTRICTS.**—Change: Reduces cash payment of National Bank from one-half to one-fourth, when paying for capital stock in Federal Reserve Bank, which is only an apparent change, owing to complicated law.

**Section 3. STOCK ISSUES.**—Minor changes in wording.

**Section 4. FEDERAL RESERVE BANKS.**—Important changes: Federal Reserve Agent "shall be a resident of the district for which he is selected and shall be a person of tested banking experience." Amendments also provide compensation of directors of Federal Reserve Banks, subject to review by the Federal Reserve Board.

**Section 5. INCREASE AND DECREASE OF CAPITAL.**—Important changes affect the increased subscriptions to stock of the Federal Reserve Bank when a subscribing bank increases its capital.

**Section 6. INSOLVENT SHAREHOLDERS OF FEDERAL RESERVE BANKS.**—Changes are chiefly verbal.

**Section 7. DIVISION OF EARNINGS.**—Important changes: Disposition of earnings of Federal Reserve Banks, in their proportions between the United States and member banks; and defining use of earnings by the United States, as a sinking fund to reduce outstanding bonded indebtedness.

**Section 8. NEW NATIONAL BANKING ASSOCIATIONS.**—Changes are minor.

**Section 9. STATE AND OTHER BANKS THAT CAN BECOME NATIONAL BANKING ASSOCIATIONS.**—Changes are minor.

**Section 10. STATE BANKS AS MEMBERS.**—Changes are minor.

**Section 11. FEDERAL RESERVE BOARD.**—Important changes: President in selecting four appointive members "shall have due regard to a fair representation of different geographical divisions. Not more than two shall be of the same political party."

**Section 12. POWERS OF FEDERAL RESERVE BOARD.**—Important changes: Federal Reserve Board shall report fiscal operations annually to Speaker of House. Weekly statements obligatory. Compulsory re-discount power of Federal Reserve Board over Federal Reserve Banks.

**Section 13. FEDERAL ADVISORY COUNCIL.**

### This Section is Entirely New and Reads as Follows:

"There is hereby created a Federal Advisory Council, which shall consist of as many members as there are Federal reserve districts. Each Federal reserve bank by its board of directors shall annually select one member of said council, who shall receive no compensation for his services, but may be reimbursed for actual necessary expenses. The meetings of said advisory council shall be held at Washington, District of Columbia, at least four times, each year, and oftener if called by the Federal Reserve Board. The council may select its own officers and adopt its own methods of procedure, and a majority of its members shall constitute a quorum for the transaction of business. Vacancies in the council shall be filled by the respective reserve banks, and members selected to fill vacancies shall serve for the unexpired term.

The Federal Advisory Council shall have power (1) to meet and confer directly with the Federal Reserve Board on general business conditions; (2) to make oral or written representations concerning matters within the jurisdiction of said board; (3)

to call for complete information and to make recommendations in regard to discount rates, rediscount business, note issues, reserve conditions in the various districts, the purchase and sale of gold or securities by reserve banks, open-market operations by said banks, and the general affairs of the reserve banking system."

### Probable Source of the Important New Section

The suggestion of the Currency and Banking Committee of the Chamber of Commerce of the United States was as follows: "There should be some definite and well developed method of voicing, for the consideration of the Federal Reserve Board, the judgment of the banking and business interests of the country, in order that the Board may be kept in constant touch with business conditions and trade requirements everywhere.

We therefore suggest the organization of a Federal Reserve Council, elected by and representing the Directors of the Federal Reserve Banks and serving in an advisory capacity.

This Council should meet at stated periods in conference with the Federal Reserve Board. Its president and vice-president should reside in Washington, and sit at the meetings of the Board, but without vote. The compensation of the officers and members of the Council should be fixed and paid by the Federal Reserve Banks."

**Section 14. REDISCOUNTS.** Important changes: Life of notes and bills admitted to discount increased from forty-five to sixty days; and from sixty to ninety days (under conditions). Former Sections 14 completely eliminated.

**Section 15. OPEN-MARKET OPERATIONS.** Important changes: Adds firms and corporations to those with whom Federal Reserve Banks may deal. Permits investment in "bonds issued by state, county, district, or municipality."

**Section 16. GOVERNMENT DEPOSITS.** Important changes: Apportionment of Government funds among Federal Reserve Banks by the Secretary of the Treasury "subject to the approval of the Federal Reserve Board," to be distributed "equitably between different sections." Interest "never less than one-half of one per cent per annum." Federal Reserve Banks not to do general banking business.

**Section 17. NOTE ISSUES.**—Important changes: Federal reserve notes shall be obligations of the United States. Reserve to equal 33 1/3% of Federal reserve notes. Note to bear distinctive letters and serial numbers assigned by Federal Reserve Board to each Federal Reserve Bank. Notes of each Federal Reserve Bank to be returned for redemption to bank of issue or otherwise disposed of. Through entire Section the words "Treasury notes" have been changed to "Federal Reserve Notes" as suggested by the Committee on Currency and Banking of the Chamber of Commerce of the United States.

**Section 18. REPEALING STATUTES.**—Repeal of certain revised Statutes affecting capitalization of National Banking Associations. (Former Section 18 dropped entirely.)

**Section 19. REFUNDING BONDS.**

This Section is so vitally changed that it is here printed in full. Italics indicate changes.

**Section 19.** That upon application the Secretary of the Treasury shall exchange the two per centum bonds of the United States bearing the circulation privilege deposited by any national banking association with the Treasurer of the United States as security for circulating notes for three per

centum bonds of the United States without the circulation privilege, payable after twenty years from date of issue, and exempt from Federal, State, and municipal taxation both as to income and principal. No national bank shall, in any one year, present two per centum bonds for exchange in the manner hereinbefore provided to an amount exceeding five per centum of the total amount of bonds on deposit with the Treasurer by said bank for circulation purposes. Should any national bank fail in any one year to so exchange its full quota of two per centum bonds under the terms of this Act, the Secretary of the Treasury may permit any other national bank or banks to exchange bonds in excess of the five per centum aforesaid in an amount equal to the deficiency caused by the failure of any one or more banks to make exchange in any one year, allotment to be made to applying banks in proportion to their holdings of bonds. At the expiration of twenty years from the passage of this Act every holder of United States two per centum bonds then outstanding shall receive payment at par and accrued interest. After twenty years from the date of the passage of this Act national bank notes still remaining outstanding shall be recalled and redeemed by the national banking associations issuing the same within a period and under regulations to be prescribed by the Federal Reserve Board, and notes still remaining in circulation at the end of such period shall be secured by an equal amount of lawful money to be deposited in the Treasury of the United States by the banking associations originally issuing such notes. Meanwhile every national bank may continue to apply for and receive circulating notes from the Comptroller of the Currency based upon the deposit of two per centum bonds or of any other bonds bearing the circulation privilege; but no national bank shall be permitted to issue other circulating notes except such as are secured as in this section provided or to issue or to make use of any substitute for such circulating notes in the form of clearing-house loan certificates, cashier's checks, or other obligation.

**Section 20. BANK RESERVES.** Important changes: Every member bank shall deposit in Federal Reserve Bank "as part of its required reserve not less than three per centum of its own total demand liabilities" (5 per cent after fourteen months).

National Banks located in reserve cities to maintain for "sixty days" (twenty-six months in original bill) a reserve of twenty-five per centum of their outstanding deposits and thereafter twenty per centum.

National Banks located in Central reserve cities same requirement with slightly varying words.

**Section 21.** No changes.

**Section 22. FEDERAL RESERVE BANK RESERVES.** Important changes: Federal Reserve Board may appoint receiver for any Federal Reserve Bank failing to make good its legal reserve of 33 1/3% of its outstanding demand liabilities, in thirty days.

**Section 23. BANK EXAMINATIONS.** Changes are minor.

**Section 24. GRATUITIES TO BANK EXAMINERS.** Important changes: Making most drastic restrictions.

**Section 25. INDIVIDUAL RESPONSIBILITY.** No changes.

**Section 26. LOANS ON FARM LANDS.** No changes.

**Section 27. SAVINGS DEPARTMENT.** Entirely new. Provides a savings bank system for National Banks. Covers about eight pages. Abstract follows.

"A new section concerning savings departments in National Banks has been formulated. One year after a National bank has become a stockholder in a Federal Reserve Bank, upon approval of the Comptroller of the Currency, the bank may segregate a sum in cash or assets not less than \$25,000, or 20% of its capital and surplus, for its savings department. From the Comptroller the Bank may also get authority to act as trustee for mortgage loans. Both savings and commercial departments of the bank would be under the control of one board of directors and set of general officers. Accounts, cash, securities, reserves, etc., of the savings department would have to be kept separate at all times. Against deposit liabilities, savings departments would hold a cash reserve in lawful money of four per centum. All deposits received would be subject to a requirement of not less than 60 days' notice of withdrawal."

**Section 28. FOREIGN BRANCHES.** Changes are minor.

**Section 29.** Provisions of law repealed that are inconsistent.

[The Owen-Glass Act is now before the Democratic Caucus of the House. The explanations of Senator Owen relative to full governmental control, and to the effect of the act upon Country Banks will be found in the Supplement of this issue.]

## Rural Finance Progress

The American Commission on Agricultural Co-operation which left the United States in April returned in the latter part of July. During the absence of the Commission an excellent publicity campaign was maintained all over the United States, resulting in drawing wide-spread attention to the co-operative systems of rural finance which have been successfully worked out in European countries.

The more important task of the Commission may be said to have begun with its return to America; for it will now have to interpret, in actual organized effort in the United States, the lessons which were learned abroad. As an aid in this direction two Senate Documents have been issued at the suggestion of Senator Duncan U. Fletcher, Chairman of the American Commission. They are numbers 140 and 141 of the first session of the 63rd Congress. Number 140 deals with "Rural Banking and Currency Reform" and is the speech of Charles Hall Davis of Petersburg, Virginia, delivered before the South Carolina Bankers' Association, on July 12. No. 141 deals with "The Davis Plan of Rural Banks," State and National and is the address of Mr. Davis, delivered July 10, before the North Carolina Bankers' Association and before representatives of the Committees on Rural Finance of the various State Bankers' Associations of the Southern States. This address elaborates the rural banking plan earlier outlined by Mr. Davis for the State of Virginia and explained in THE NATION'S BUSINESS last December.

### COMPREHENSIVE BILL INTRODUCED.

Subsequent to the issue of these documents and as a result of a conference with members of the American Commission, Senator Fletcher introduced in the Senate on August 9, his comprehensive bill to provide for the establishment, operation, management, and control of a national rural banking system.

Senator Fletcher, addressed the Senate in explanation of the bill.

### RURAL BANK SYSTEM.

The Fletcher bill formulates a plan for a complete system of rural banks to be organized under a Federal charter especially designed to meet the financial requirements of the farmer. It recognizes the need, first, of a credit arrangement whereby the farmer can acquire lands and a home, and sufficient capital for the permanent improvement of his farm. The national rural banking system proposed in the Fletcher bill is to be operated independently of the national banking system. It is to be supervised by a board composed of the Secretaries of the Treasury, Labor, and Agriculture.

The need of special facilities to enable the farmer to secure temporary banking accommodation annually is recognized also, and amply provided for in the measure. A provision to encourage the farmers to apply business methods to their industry, thereby enabling them to render comprehensive statements to the banks, is contained in the bill.

As a means of supplying the means which the bill recognizes as important to the farmers, provision is made for the establishment of three separate classes of institutions, as follows: Local national rural banks, each confined in its operations to a small district, and owned and operated by local farmers; State national rural banks, whose stock is to be owned and controlled by the local banks of the State, and whose net earnings shall be used to create a surplus and pay dividends to the local banks as its stockholders; and the national rural bank of the United States, located at Washington, whose stock shall be owned by the local national and State national banks.

### NINE DIRECTORS PROVIDED.

The national rural bank of the United States shall be controlled by nine directors—five being selected by the stockholders to serve eight years and four being selected by the President of the United States, subject to Senate confirmation, to serve during good behavior. The net earnings of the national rural bank of the United States shall be used to pay a fixed dividend to the local and State national rural bank, owning its stock, and to create a surplus.

A distinguishing feature of the whole rural credits system is the extraordinary power given to each and all of the banks in the system to use its credit, as well as its cash assets, to aid in meeting the demands of the farmers. The bill recognizes land as the only, or the most, available asset which the farmers have, and provides a plan whereby the farmers may obtain capital by offering as security long-term mortgage bonds, repayable in small annual or amortization payments, so that the bond can be paid off out of profits derived from the improvements made to the farm with the money obtained on the loan.

### LONG-TERM BONDS USED.

The bill provides for the guarantee by local national rural banks of long-term bonds, or notes, secured by liens on farm



lands at not exceeding 60 per cent of the taxable value of the land after being so guaranteed. The bond can be guaranteed also by the State national rural bank, having a much larger capital and surplus, and then, in turn, guaranteed, also, by the national rural bank of the United States, with a capital and surplus exceeding \$100,000,000.

The measure contemplates that the local national rural banks will serve to collect the neighborhood funds in the shape of deposits, and make them available to be loaned to meet temporary or annually recurring banking requirements of the same farming community.

The American Commission on Agricultural Cooperation has become a permanent body with offices in Washington, the Chairman of the Commission is Senator Duncan U. Fletcher of Florida, and the Director General Dr. Clarence J. Owens of Md., who is also Managing Director of the Southern Commercial Congress.

## Immigration

### Enormous Total for the Year

The complete figures for immigration in the fiscal year just ended are worthy of national consideration.

During no year in the history of the United States has a greater number of immigrants reached America than during the past year, with the single exception of 1907, when 1,285,349 landed. During the past year it was 1,197,892. The only years in which the total has exceeded a million are indicated below.

EXCEEDING ONE MILLION.	
1907	1,285,349
1913	1,197,892
1906	1,100,735
1910	1,041,570
1905	1,020,499

The total number of immigrants reaching this country since 1820 has been 30,808,944, or practically one-third of the present total population of the United States. Three groups were represented by more than 100,000 in the past year.

South Italian 231,613; Polish 174,365; Hebrew 101,330.

Migrations represented by more than 40,000 and less than 100,000 are as follows: German 80,865; English 55,522; Russian 51,472; North Italian 42,534; Croatian and Slovenian 42,499.

Migrations represented by totals between 20,000 and 50,000 are as follows: Scandinavian 38,737; Greek 38,644; Irish 37,023; Magyar 30,610; Ruthenian 30,588; Slovak 27,234; Lithuanian 21,647; Scotch 21,293; French 20,652.

Migrations represented by totals between 10,000 and 20,000 were Portuguese, Roumanian, Finnish, Bohemian and Moravian, Dutch and Flemish, Mexican.

The following were represented by totals between 5,000 and 10,000: Armenian, Bulgarian, Servian, and Montenegrin, Japanese, Syrian, Spanish, African.

The following were represented by totals less than 5,000: Chinese, Cuban, Dalmatian, Boznian, and Herzegovinian, East Indian, Korean, Pacific Islands, Spanish American, Turkish, Welsh, West Indian, and other peoples, 3,038.

Of the immense migration for the year 1913 only 13,469 were professional people. Only 160,108 were ranked as skilled laborers and the greatest proportion of these are in the three classifications shown below:

Tailors 22,934; Carpenters 15,035; Clerks and Accountants 14,035.

The classification of miscellaneous occupations, largely unskilled, included 720,127. The greatest totals under this miscellaneous classification were as follows:

Farm laborers 320,105; Laborers 220,992; Servants 140,218. Those who arrived without any occupation, including women and children, were 297,188.

In connection with this statement of immigration figures it should be pointed out that every year there is heavy departure of immigrants from this country. In the year just ended 308,190 returned to their home lands. The heaviest exodus was as follows:

South Italian 75,057; Greek 31,556; Polish 24,107; Bulgarian, Servian and Montenegrin 13,525.

## New Dry Docks

The greatest dry dock in the world has just been completed in Liverpool. It is nearly 1,050 feet long and 155 feet wide, with an entrance 120 feet across.

The dock which the Port Directors have planned for Boston will be 100 feet longer and about as wide. Glasgow is now building a dock just as long and Quebec is planning for one of the same size.

These great moves prove that the progressive maritime nations are reaching out for efficiency in handling the world's commerce. They expect by possession of the conveniences for repair to thereby handle an increasing share of tonnage with the least avoidable delay.

# Features of Foreign Trade Promotion

## Near East Trade

A Philadelphia-Levant Section of the Philadelphia Commercial Museum has been "organized to co-operate with the American Chamber of Commerce for the Levant at Constantinople, in the development of trade between Philadelphia and the Near East." It starts with thirty-four of the strongest manufacturers of Philadelphia. It is possible that similar action may be taken in New York, Boston and Detroit. Chicago has acted. This will lead to largely increased commercial dealings with the markets of the Mediterranean and the Black Sea.

In commenting on this action, the Levant Trade Review, published by the American Chamber of Commerce for the Levant, prints the totals of exports of the Levant to Philadelphia. The statistics are illuminating as to the variety of valuable products obtainable by the manufacturers of the United States. They were compiled by the Philadelphia Board of Trade for the year 1912.

### NEAR EAST IMPORTS TO PHILADELPHIA.

Imports from	Free of Duty	Dutiable
Bulgaria, goatskins	3,358	
Greece, principally goatskins and chromate of iron	138,939	
Cyprus: paints		103
Servia: goatskins and horse-hides	17,709	
Turkey in Europe: goatskins, tanning materials	158,071	
Opium, leaf tobacco, wool, (class 2 and 3)		962,418
Aden: coffee and goatskins	470,000	
Persia: wool, (3)		22,072
Turkey in Asia: licorice root, chromate of iron, emery ore	1,053,019	
Wool (3) extracts for dyeing, tobacco, figs, almonds, etc.		708,690
Egypt: cotton, sheepskins, goatskins, rags	297,722	
Wool, (3), etc.		6,160
Tripoli-in-Africa: cotton laces		83
	\$2,137,818	\$1,829,273

To the above may be added as confirmation of the growing importance of the Levant trade the following figures of exports to the United States for 1911 and 1912.

	1911	1912
Turkey	\$19,929,629	\$22,876,475
Egypt	15,864,666	23,624,800
Athens	864,097	1,361,423
Patras (Greece)	2,065,635	1,981,511
Corfu (Greece)	615	3,813
Calamata (Greece)	254,722	284,825
Servia	719,263	1,011,566
Aleppo	879,394	1,417,456

## Suez Canal Tonnage in 1912

The number of vessels which passed through the Suez Canal in 1912 was 5,373, of a tonnage of 20,125,120 net, or 404 vessels of 1,950,326 tons more than in 1911, the average size of each vessel having risen from 3,688 tons to 3,774 tons. In spite of the increase in number and size of vessels using the canal, the average duration of time in transit has been lowered during the year by 35 minutes, to 16 hours 19 minutes.

Despite the reduction in the dues charged, which came into force on January 1st, last year, the gross receipts amounted in 1912 to the highest sum ever realized, namely 136,423,831 francs, as against 134,762,199 francs in the previous year and 130,436,547 francs in 1910.

The percentage of British vessels and their net tonnage last year was 62.1 and 63.4, respectively, as compared with 62.2 and 64.0 in the previous year, and 61.3 and 62.9 in 1910. The percentage of German vessels and their net tonnage was 13.6 and 14.9, respectively, as compared with 13.4 and 15.2 in 1911, and 14.0 and 15.5 in 1910, while the percentage of net tonnage of the other maritime nations using the canal last year remained practically stationary as compared with the preceding year. The Netherlands came third in point of tonnage, with 1,240,264 tons.

## State Subsidy for Merchant Marine

A bill has been introduced in the California State Legislature providing for a board of five Merchant Marine Commissioners, one from the resident ship-builders, one from the resident ship-owners, one from the shippers of domestic goods, one from the consignee of foreign goods, and one from the Sailors Union.

This Board is to have authority to pay five per cent per annum upon one-half the building cost of ships engaged in foreign and domestic commerce from California ports and to help on the payment of the difference between building and operating such American-built ships with American workmen and American officers, and the cost of building and operating with foreign workmen and officers.

Louisiana has offered an abatement of all taxes on steamship lines operating to foreign countries from Louisiana ports.

## French Methods

In Daily Consular and Trade Reports of July 17 appeared an article by Consul John Ball Osborne of Havre relative to foreign trade promotion by the French Government. This is referred to in this issue of The Nation's Business in order to urge all readers to secure, if possible, a copy of the issue mentioned. Quotations follow:

"The principal trade-promoting institution of the French Government is the Office National du Commerce Extérieur, in the Ministry of Commerce and Industry. This institution, which is located at No. 3, Rue Feydeau, Paris, in a building owned by the Chamber of Commerce of Paris, was established by the law of March 4, 1898, with 'the mission of furnishing to French manufacturers and merchants commercial information of every kind capable of contributing to the development of foreign trade and the extension of markets in foreign countries and in the colonies and protectorates of France.'

### COMMERCIAL DIRECTORY BEING COMPILED.

An important task undertaken recently by the office is the compilation of a commercial directory, or as it is styled, a "Repertoire for aiding the development of French exports." Circular letters, containing interrogatories and announcing the preparation of the directory, were sent to the chambers of commerce, industrial syndicates, and similar organizations, the councilors of foreign commerce, tribunals of commerce, etc., throughout France, with the request that they be transmitted to all interested manufacturers, exporters, and merchants. Simultaneously, the French diplomatic and consular officers, extraterritorial French chambers of commerce, and the councilors of foreign commerce located abroad were called upon to assist in the work by distributing copies of a "Notice to buyers of French products" in their respective districts. These notices, which were printed in the language of the country in which they were to be used, advised buyers and agents that they could obtain without expense, on application to the Office National du Commerce Extérieur at Paris, the names and addresses of French manufacturers and exporters for the purpose of supplying themselves with such articles of merchandise as they might desire to import. The same notice was also reproduced in a large number of foreign newspapers. In France, too, it has been posted up in railway stations and in hotels frequented by foreign business men. It has been brought to the official attention of the representatives in France of foreign powers, as well as of the foreign chambers of commerce in Paris. In short, the widest possible publicity has been given to both divisions of the work of compiling this directory or directory in behalf of the export trade of France.

### CARD INDEX SYSTEM.

The repertory, which is in the nature of a card-index catalogue, is made up of individual sheets or cards, with interrogatories filled in by French houses which seek either buyers or agents in foreign countries and the colonies. It already contains several thousand names. Largely by means of this repertory the number of letters addressed to French firms, through the Office National du Commerce Extérieur, by possible buyers or would-be agents in foreign countries and the colonies rose from 5,091 in 1910 to 11,610 in 1911.

The annual report to the Council of Administration of the office National du Commerce Extérieur for 1912 (which is not yet available in its entirety) reviews the work of the institution since its establishment as a public office in 1898. The following extracts from this source will be interesting:

During the early years of its establishment, notwithstanding the efforts and activity of the management and its various contributors, the office was but little known and still less utilized. Indifference and perhaps also a trifle of distrust paralyzed its well-intended activities. Little by little, however, confidence was established and each succeeding year has witnessed an extension, in important and encouraging proportions, of the relations between the commercial world and the office.

It is of interest to note that since the establishment of the office there has been a progressive increase in our exports. They amounted to \$677,604,000 in 1898 and they were \$1,172,842,000 in 1911.

It would doubtless be extravagant to claim that the activities of the office alone have been responsible for the increase in the commercial relations of France in the last 15 years; but it must be conceded that the documentary information which it has put at the disposition of French commerce has afforded to our exporters, in large measure, the means of increasing their transactions in foreign markets. It should be noted, too, that the exports follow the imports in very nearly equal progression."

## Handbook on India

The Consular Service is the great source of commercial information for the Bureau of Foreign and Domestic Commerce. The nature of consular duties, however, brings it about that consular officers are in the main stationed at ports, and for the most part they are not free to leave their posts of duty to make personal investigations in the interior.

This has been the situation, for example, in India, concerning the interior of which few reports have been available.

To remedy this lack of information, a well-equipped consular officer was some time ago detailed to travel extensively through India and report comprehensively upon commercial and industrial conditions and opportunities. His reports are now appearing in the Daily Consular and Trade Reports.

These special reports, together with reports which are being made by all consular officers in India in accordance with careful instructions, will become the basis of a handbook upon India, to be issued next year. It is intended to make this handbook of commercial and industrial information very complete.

It is suggested that any persons or organizations that wish particular information about India, write to the Bureau of Foreign and Domestic Commerce.

## The Five Leaders

### A Series of Interesting Statistics

#### GENERAL EXPORTS.

In 1901 the five greatest exporting countries were:

United States	\$ 1,381,719,000
United Kingdom	1,362,729,000
Germany	1,054,685,000
France	774,498,000
Netherlands	695,766,000

In 1904 the same order was maintained. In 1907 the United Kingdom exceeded the United States. In 1910 the United Kingdom again led the world, the United States coming next in order.

In 1911 the five greatest exporting countries were:

Countries	Percent of gain over 1901.
United Kingdom	\$ 2,209,972,000 63
United States	2,204,322,000 60
Germany	1,929,243,000 83
France	1,172,834,000 51
Netherlands	1,090,848,000 57

#### GENERAL IMPORTS.

In 1901 the five greatest importing countries were:

United Kingdom	\$ 2,540,265,000
Germany	1,290,254,000
United States	903,320,000
France	842,256,000
Netherlands	815,442,000

In 1904 the same order was maintained. In 1907 France overtopped the United States. In 1910 the United States again led France. In 1911 the original order was maintained but with greatly increased totals, as follows:

Countries	Percent of gain over 1901.
United Kingdom	\$ 3,309,987,000 30
Germany	2,310,636,000 78
United States	1,653,264,000 83
France	1,559,705,000 82
Netherlands	1,332,874,000 63

#### FIVE LEADERS IN GOLD.

Africa led in gold output in 1911. The value was \$192,972,100. The United States came next with \$96,233,500. Australia followed with \$59,187,000. Mexico came fourth with \$29,196,000. The fifth was Russia with \$24,865,000.

The world produced in that year gold to the value of \$467,449,600, the largest in history.

#### FIVE LEADERS IN COAL.

The United States led in coal output in 1911, with 450,261,000 metric tons. The United Kingdom followed with 276,255,000 metric tons. Germany came next with 234,508,000. Austria Hungary came fourth with 49,090,000. France was fifth with 39,350,000. Lignite is included in the output accredited to each of the above countries.

#### FIVE LEADERS IN COPPER.

In 1911 in the production of smelter copper the United States came first with 1,097,232,700 pounds. Mexico followed with 125,000,820 pounds. Japan came next with 123,237,140 pounds. Spain was fourth with 116,843,800 pounds. Australia came fifth with 93,695,500 pounds.

#### FIVE LEADERS IN IRON ORE.

In 1911, the United States led the world with 41,660,000 metric tons. Germany followed with 29,879,000. France came next with 16,500,000. The United Kingdom was fourth with 15,768,000. Spain followed with 8,674,000.

#### FIVE LEADERS IN LEAD.

In 1911 the United States led with 392,842 short tons of lead. Spain came next with 189,155. Germany followed with 177,801. Mexico came fourth with 132,276. Australia was fifth with 109,789.

## American Footwear

Cuba is the largest buyer of this class of merchandise. The value of boots and shoes exported to that Island from the United States during the fiscal year 1912, the latest period for which details of distribution to all countries are available, was practically 3 million dollars out of a total of 16 million dollars' worth of leather boots and shoes exported in that year. To Canada the exports in that year amounted to 2½ million dollars; England, 1½ million; Germany, practically 1 million; Panama, three-quarters of a million; France, Austria-Hungary, the Philippine Islands, and the British West Indies, each about a half a million dollars; Argentina and Italy, each one-third of a million; and Brazil, a quarter of a million dollars. To all Europe the total was 4½ million dollars; to North America, 9 million; to South America, 1¼ million; to Oceania, nearly 1 million; to Africa, a quarter of a million dollars; and to Asia, \$85,170.



# Supplement to The Nation's Business

Washington, D. C.: August 15, 1913

## Discussion of Banking and Currency Questions

By authority of the Directors of the Chamber of Commerce of the United States of America, there will be mailed in the near future to the constituent members for referendum, the full report of the Currency and Banking Committee of the Chamber of Commerce of the United States, covering all suggestions of changes recommended in connection with the Owen-Glass Federal Reserve Bill as first made up.

The votes of organizations on the main report and on the individual features of the report must be in the Washington office within forty-five days after the mailing of the Referendum.

There are here included a number of carefully considered statements on the problems of Banking and Currency. This should be read in connection with Referendum pamphlet by constituent members.

### National Opinion Gathered

In order to contribute toward a general understanding of the present attitude throughout the country in respect to currency legislation now pending before Congress, the United States Mortgage & Trust Company has obtained a consensus of opinion upon this subject, from its banking correspondents, attorneys and business representatives in forty-two cities located in twenty States in which the company's mortgage investments are made.

Analyzing in a general way the expressions of opinion received, twenty-two cities are recorded as favoring the main features of the proposed legislation; ten are opposed and there are ten cities in which public sentiment is somewhat divided. A sub-division of the views, summarized territorially, indicates the following attitude with respect to the proposed bill:

South—Generally regarded with favor.  
Pacific Northwest—Quite evenly divided but slightly favoring the bill.  
Inter-Mountain—Sentiment generally opposed.

North Central & Middle West—Opinion divided but apparently unfavorable in the main to legislation as at present outlined.

Probably the most striking points brought out are the full realization of the need of some form of Currency legislation and the almost unanimous recognition of the adverse effect of the existing uncertainty.

Objections and anxieties which appear in the public mind with respect to the bill may be briefly stated as follows:

1. Inadequacy of banking representation upon the Federal and District Boards.
2. General fear of political control as a result of the proposed appointive arrangement.
3. Scattering, rather than concentration, of reserve funds through the operation of the regional system.
4. Anticipated curtailment of credits with its consequent effect upon earnings in the case of individual banks.
5. Objection from the Inter-Mountain region to the issuance of Currency against asset obligations.
6. Anxiety as to possible forced denationalization of Institutions now under Federal control.

On the whole it is evident from the expressions of opinion received that there exists a marked tendency to await further modifications of the proposed legislation, the general feeling being one of hope that the measure when finally enacted will prove acceptable to the country at large.—*Financial Age of New York*.

### Based on Wrong Theory

HORACE WHITE,

Former Editor New York Evening Post.

The pending bill to reorganize the national banking system seems to be based upon the theory that the interests of the banks are opposed to the interests of the people, and the latter must be made to prevail over the former; ergo the whole banking system should be managed by persons who are not bankers, but appointed by the President and confirmed by the Senate.

## JOHN PERRIN'S STATEMENT

### An Expert Analysis

In the Indianapolis Star of July 23, appeared a masterly analysis of the Owen-Glass Bill by John Perrin, member of the Currency Commission of the American Bankers Association and prominently connected with the banking history of Indiana.

In this article Mr. Perrin discussed the centralization of reserves, the place of bank notes in our monetary system, the number of reserve agencies, and the good and bad features of the proposed note issues.

In opening his paper Mr. Perrin said: "The Owen-Glass Bill proposes a banking mechanism which is far from ideal," and goes on to say:

"On the other hand, this bill does incorporate certain principles which are fundamental in a scientific banking and currency system, viz: the centralization of bank reserves and the basing of note issues upon gold and commercial assets. This marks great progress, and progress once entered upon is apt to become accelerated. But while these principles thus have recognition, they are incorporated in such a way as to present the hazard that the operation of the mechanism may be so inefficient as to lead to the condemnation, not of the imperfect incorporation of these principles, but to the condemnation of the principles themselves. As a result we might find ourselves diverted from the right path and perhaps, through partisan politics, launched upon another period of banking and currency experiment with corresponding handicap upon our entire commerce for years."

There follow below a number of other quotations from Mr. Perrin's valuable paper.

### Reserves Unavailable

The bill has been drafted with the avowed purpose of "redistributing" deposits, that is, doing away with the concentration of funds in centers, which now accumulate there unnaturally, largely because of the operation of our present reserve laws. Banks are now required to carry certain fixed minimum reserves, but, except New York, Chicago and St. Louis, they are permitted to count as part of their reserves balances carried with certain other banks.

Of course a balance carried with a bank is strictly only a demand loan. It serves as real reserve, however, so long as the bank is able to pay money on call. This has not always been possible under our present defective system. Now it is proposed to eliminate as reserves (except in the case of country banks on special permission of the Federal reserve board) balances due from individual banks and substitute balances due from district reserve banks, with this difference—that, under the present system, any balance due from an individual bank is subject to withdrawal, while under the proposed plan only the excess above the required minimum may be withdrawn. The amount of the required minimum reserve deposited with a district reserve bank is made absolutely unavailable with which to pay debts, and the same is true of the minimum money reserve in vault required to be maintained. Is cash, which can not be used, a real reserve, and is a credit which can not be withdrawn a real reserve?

### Voluntary Participation Best

Reserves which are not available for use are not reserves at all. So far as reserve

requirements unnecessarily lock up money in vaults, without full compensation of efficiency and security in operation, they add to the cost charged to business for banking service. Money impounded in the reserve banks would create lending power so that it at least would render service, but the necessity is not apparent for taking from an individual bank the control of a portion of its current funds. It seems that a modification should be found that would offer sufficient advantage to induce voluntary deposits with the district banks instead of resorting to conscription.

Reserve money renders most efficient service when gathered in a reserve agency and the plan should be formulated with a view to inducing a natural flow to such a reservoir.

The redistribution of the deposits involves the redistribution also of a large volume of loans. If, for instance, \$20,000,000 bank balances, carried in the banks of a city, are redistributed, where will the \$12,000,000 or \$14,000,000 of loans find lodgment, which are now carried by the depository banks in employing these deposited funds? It is suggested that banks may rediscount in order to provide funds to carry such loans. Such suggestions do not proceed, however, from those experienced in bank operation. The redistribution of the loans now carried in all centers, including the larger ones, such as New York and Chicago, presents grave hazard of disturbance through possibilities of enforced contraction of credits during the process.

### Banks Are Pulse of Business

If banking were a business self-contained and independent of other business it would

be of small general consequence how autocratic the control or subject to what political consideration exercised. But banking is not a business thus apart. It is the one business which is intimately interwoven with every other. Banking is really an instrumentality created by all other businesses for their own service. Laws cannot be enacted, where there is free competition in banking, which, in the long run, will be either favorable or unfavorable to banks, which will either hurt or help banks. Laws touching banking find the final incidence of their results in the effect upon other business. If new laws today would double the profits in banking new banks would quickly organize and competition would rapidly increase until the relative level of average bank profits would be the same as before. If burdens were increased so that banking profits were cut in half, capital would be withdrawn by liquidating unprofitable banks, decreasing competition, until the relative level of average profit as compared with that of other business would again be the same as before, in spite of the increased burdens. So banking legislation must properly be viewed from the standpoint of its effect upon other business. The banker need not be considered. The operation of the law of self-preservation protects him. This is to be borne in mind in considering the proposed Federal reserve board.

### Board Make-up Criticised

It is proposed to vest a large control of all business, through an autocratic control of banking, in a board of seven, all presidential appointees, only one of whom is required to be "a person experienced in banking." The three ex-officio members have relatively brief terms. The other four have eight-year terms but are subject to removal for cause, and receive \$10,000 yearly salaries—surely not highly attractive conditions in dignity, security of tenure or pecuniary reward for members of the most powerful board ever created.

Government supervision and representation in control are in every way desirable, but it is difficult to conceive that a good result could be attained by vesting control in a board constituted as proposed without even a minority representation of those whose capital and business would be controlled, and who would be skilled in banking.

The worst that could befall business would be to have the control of its banking made subject to political influence. A board of control should be so constituted as to be out of politics and should include among its members government representatives and those who, through integrity and ability, have attained eminence in banking, trade and industry. But it is a very practical difficulty to devise a way to choose such members of a board to be so constituted.

If changes such as those above indicated were made, the measure, while not then ideal, would, it is believed, prove a sufficiently workable plan to justify its enactment into law. If the choice lies between the bill in its present form and no present legislation, it would seem wiser to defer action in the hope of enacting later a law in which at least the fundamental principles would be soundly incorporated.



## Oregon Bankers' Opinions

The Executive Committee of the Oregon State Bankers' Association, the Clearing House Associations of Portland, Oregon, and Tacoma, Washington, in joint session at Portland on July 25th, passed the following resolutions:

FIRST, that it is for the best interests of the country under existing conditions that the Owen-Glass Currency Bill now pending in Congress do pass.

SECOND, that the amendments to the bill suggested by the Currency Committee of the Chamber of Commerce of the U. S. of America should be adopted.

THIRD, that the bill be further amended by adding on page 19, line 15, after the words "or commercial purposes" the words "or notes or bills of exchange of the wholesale manufacturer of any goods, wares and merchandise, or that of a wholesale purchaser or shipper of products of agriculture, forest and mine or the sea, lakes and rivers, shippers of live or dead stock and the products thereof," and on the same page, line 26, substituting the words "Ninety days" for "Forty-five days."

FOURTH, that the bill be further amended by adding on page 20, line 13, after the word "importation" the words "or transportation" and on the same page, line 25, after the word "exportation" the words "or transportation" to the end that acceptances based on the domestic commerce of the country may be proper discounts for any Federal reserve bank.

Further, that the Executive Committee of the Oregon State Bankers' Association, the Clearing House Associations of Portland, Oregon, and Tacoma, Washington, in joint session believe:

### GENERAL CRITICISM.

FIRST, that the joint control of government and banks is proper, but that the interest of banks is so paramount that they should have greater representation on the Federal reserve board than is provided in the bill or the suggested amendment.

SECOND, that the bank note issue as proposed in the bill is neither sound nor scientific from the standpoint of modern banking.

THIRD, that the government should not guarantee nor undertake the responsibility of the redemption of notes issued.

FOURTH, that any limit on the discounting of strictly commercial paper tends to contract loans at a time when crops are moving or goods are in the process of manufacture and is unnecessary in view of discountable paper running for a longer period than ninety days.

J. L. HARTMAN, Manager,  
Portland Clearing House.

## Risk in Sudden Decentralization

Provide for representation of banks on the Federal Reserve Board or for the organization of an Advisory board composed of one selected by each Federal Reserve bank, thus bringing into daily contact with the members of the Federal Reserve Board men who would be familiar with the banking business and agricultural conditions in each section of the country, thereby insuring a more intelligent discharge of their duties so far as their actions would affect business in the various sections.

Modify the section relating to reserves, by providing that until the plan has been fully tried out, one-third of the reserves that banks in country towns and in Reserve cities are required to carry may be carried with Reserve correspondents as is now done under the National Banking Law, leaving the requirement that banks in Central Reserve cities must carry 20 per cent. reserves, one-half of which must be in their vaults and one-half to their credit in the Federal Reserve Bank.

This would, as I have already stated, decentralize reserves in the centers over one-half and would be much less liable to disturb general business than the drastic and revolutionary shifting of reserves now provided for in the bill.

Later on, say five years after the plan has been in operation, any further shifting of reserves of the banks found to be necessary or desirable could be effected without taking that risk of disturbing business that might follow if the plan proposed is now enforced.

I cannot feel that the Administration has a full conception of the ramifications of the power the bill vests in the Federal Reserve Board, and I hope that in their desire to enact the best possible legislation they will clearly see the necessity for modifying the bill in two or three sections with a view of so harmonizing the situation that the banks not only will be willing to enter the system, but that they will do so enthusiastically, and on that co-operative basis so necessary for the success of the plan and the future welfare of our country.—Geo. M. Reynolds, President Continental and Commercial National Bank of Chicago. From address July 10, before Minnesota Bankers' Association.

## Criticisms from St. Louis

The St. Louis Banker's Committee has sent to the Banking and Currency Committees of Congress a careful criticism of various features of the Owen-Glass Bill. Two constructive suggestions are quoted below. The statements regarding bank reserves and transit items will prove of very general interest.

### Federal Supervision

More than 137 years ago, the people of this continent rebelled against taxation or contribution without representation. For the Democratic party to announce that they would first create by process of law a series of Federal Reserve Banks, and by a coercive measure force the national banks of the country to obligate themselves to become liable for 20%, and immediately contribute 10% of their capital (over \$100,000,000) and from 5% to 10% of their reserve (aggregating a total of more than \$400,000,000); failure to do so within one year after date obliging them to retire from the national banking system, is a "Force Bill" pure and simple. Argument has been presented to the administrative and legislative branches of the government showing this coercion to be extremely obnoxious to manhood and citizenship, and that it should not be forced upon the several hundred thousand people of this country who own stock in the national banking system, which has been of such great benefit to the people at large during the past fifty years. There is no objection to governmental supervision and regulation with representation.

It has been recommended that the Board be increased from 7 to 11, the four additional members to be selected from a list of nominees; each reserve bank in the twelve sections of the country to name one candidate eligible for membership on the reserve board; submit same to the President of the United States; and out of the twelve, he to select the additional four members. If the Government fears to name four men from the nominees thus selected, why should not the bankers and business men be afraid to turn over this corporation with cash assets of more than \$500,000,000, and which will absolutely control the destiny of the nation's finances, to a politically appointed Board, even though they be the appointees of the President of the United States? The stockholders of the Central Banks of France, Germany, England and Canada are trusted with the management of the respective banks. Why, therefore, cannot our stockholder banks have four out of eleven directors?

### Bank Reserves

The adjustment of the reserves to be carried by what is known as the country

### Good Features Defined

Taken as a whole, the Glass-Owen bill seems to provide the means for very great improvement in our banking system. It is superior in a number of respects to the bill proposed by the National Monetary Commission, notably so in the provision that reserve requirements may be temporarily suspended by the Federal Board, and in the absence of the requirement of a uniform rate of discount throughout the country, a most unsound and dangerous feature of the Commission bill. Unless some of the provisions of the Glass-Owen bill are modified, however, it does not seem probable that it would prove effective, because of the probability that large numbers of banks would not enter the system. Fortunately, the changes which are needed to make the bill more attractive to the banks do not involve concessions of principle. Surely it must be possible to formulate conditions regarding qualifications for membership on the Federal Reserve Board which will give bankers confidence in its competence and freedom from political influence. Surely, also, sound banking under national charters does not require burdensome restrictions which will enhance the attractiveness of organization under State laws and jeopardize the very existence of the national banking system.—Professor O. M. Sprague, of Harvard.

### Advisory Board

Those who have the power, authority and responsibility over a central bank (the regional reserve institutions) may never hope for success unless they are in close, active working touch daily with the world's financial developments and necessities. They cannot succeed at arm's length, for, so working, they cannot direct wisely. Lacking definite knowledge of the demands for credit accommodation in the several proposed regions, the movements of products, trade, securities, foreign exchange, and their causes, and the state of local, national and international credit—which the expert directors of the great European central banks have at their instant disposal—the proposed board of control would be practically helpless.—Financial America.

banks and by banks in reserve cities must be made before it can be hoped or expected to make the system a success. Unfortunately, the bill increases the reserve to be carried by the country bank from 6% to 10%. This would mean withdrawal from circulation and use (in fact make absolutely useless for the necessities of agricultural interests, manufacturing industries and commercial establishments) more than \$100,000,000. It is recommended that the reserve be fixed as follows:

CENTRAL RESERVE CITIES to be required to carry—  
10% in vaults.  
10% in Reserve Bank.

RESERVE CITIES be required to carry—  
6% in vaults.  
6% in Reserve Bank.

6% counted as reserve when with stockholder members of Reserve Bank.

COUNTRY BANKS be required to carry—  
5% in vaults.  
3% in Reserve Bank.  
7% on deposit in banks that are stockholders in Reserve Banks.

### Note Issues

No nation with banking and currency laws worthy of consideration has currency issued by the government. France, Germany and England are generally recognized as having the most practical and workable banking and currency systems in the world. In each of these countries the currency is issued by banks under governmental supervision and regulation, and in no case by the government. The reasons for this position are manifest:

(a) No nation should permit currency to be issued by a quasi public bank, unless absolutely sure such notes were good beyond a question of doubt.

(b) The bill, as framed, will make the currency to be issued far superior to the notes of any other nation, provided the change in the reserve of gold be increased from 33 1-3% to 50%. This ought to put the notes beyond any possibility of doubt, even in the mind of the most pessimistic and skeptical.

These notes should be issued by the Federal Reserve Bank in each locality, under the direct supervision and regulation of the Federal Reserve Board.

### Compulsory Rediscounting Bad

I believe the main features of this bill are correct in principle. The establishment of an elastic currency and credit system, capable of expansion in time of need, and contraction at other times, and based upon a concentration of reserves (which is the fundamental principle of all good banking systems) would be provided by the bill if amended in some important points.

The powers of the Federal Reserve Board are such that the national credit will be virtually in its hands, and these tremendous powers should not be given to seven men of which only one need be a person experienced in banking.

Second: One of these powers should not be granted to any board; namely, (b) Section 12, "To require a Federal reserve bank to rediscount the paper of any other Federal reserve bank." The granting of credit by one financial institution to another should always be mutually agreeable, and no bank should ever be forced arbitrarily to make a loan that it does not want to make. If the loan is good, the bank will be glad to make it in ordinary circumstances, but to force any bank to extend credit to another is unwise, unjust and unsound.

Third: There should be a limit to the amount that any member bank may rediscount with the Federal reserve bank, and I think the limit should be the amount of the member bank's capital and surplus.—David R. Forgan, President National City bank of Chicago in "American Lumberman."

### Made in Good Faith

"Holland" declares that no one who has ever discussed the pending bill with bankers of authority in New York "can have failed to observe that the unanimous opinion held by them is that this undertaking is made in good faith, in all sincerity, and in the hope of formulating legislation which will be of benefit to the American people." All therefore that remains is to "whip the measure into such shape as to make it proof against criticism and reasonably accepted by the bankers who will be affected by the measure." No banker, so far as known, has been able to approve all the features of the bill, nor has anyone failed to question in earnest and sincere manner the wisdom of some of the details.—Literary Digest.

## Views of

### John Skelton Williams

Assistant Secretary of the Treasury.

The following are extracts from a speech delivered by John Skelton Williams, Assistant Secretary of the Treasury, before the Maryland Bankers' Association, June 26, 1913:

"My personal hope is, and I tell it to you frankly, that the present administration will transfer the financial control and direction of this country from any man or group of men, responsible to nobody but themselves, working in secret with their motives and designs guessed at obscurely, to the Government itself—directly responsible to the people, and with all its purposes and plans spread before the people who create it and for whose service it is created and exists. \* \* \*

"The success of any plan for banking and currency reform will largely depend on whether or not it shall provide:

"First. A currency which will at all times be worth its face in gold in all sections of the country.

"Second. A plan by which the amount of this currency can be increased to meet the legitimate demands of agriculture, industry, and commerce, and be automatically reduced when the occasion for the increase has passed and the additional currency is no longer required.

"Third. A governmental supervision or direction sufficiently powerful to prevent at all times, domination and exploitation by any set of men or group of interests, however philanthropic their alleged intentions, or however beneficent their designs.

"These three objects, it is believed, can be obtained by the currency measure now before the country. The bill is not perfect. No thinking man would expect any product of human thought or purpose, however clean the thought or high the purpose, to be born perfect. I believe it is far better than any measure along the same line ever put before our Congress. It will be pruned and, I hope, strengthened and when it has passed the Senate and House will come out a powerful impetus, a safeguard for thrift and enterprise, an assurance to all legitimate business. \* \* \*

### Avoids Political Influence

I think I can promise you further that with the currency and banking laws as they are being considered, and as they probably will be enacted, there will be no possibility of political, social, or personal influence. The purpose is that these laws shall work naturally and automatically, as free from outside pressure or individual considerations as any well-set and well-gear machine. They will be made to avoid glut or famine; to supply and make safe honesty, energy, and sagacity, and righteous and legitimate needs; to force crookedness, dishonesty, and idly to surrender and get out of the way before they rob or destroy. I believe we are about to secure a solid basis of currency with which we can face the world and which will make an American currency note as good and as thoroughly trusted and as readily acceptable anywhere on this planet as the gold dollar physically in hand. \* \* \*

"There is no accepted principle of social or political economy which views with disfavor the issuance of currency by a government rather than by the banks, but if in time past, under peculiar conditions in smaller countries, there have been instances where currency issued by a bank may have met trade conditions better than government money, such exceptional cases can not be successfully imitated here.

### Pessimists Should Consider

"Pessimists who distrust this country or minimize its resources and power may do well to consider that the earnings and income of this people, over and above the cost of living, and representing their savings, nearly all of which are available for reproductive employment and investment, are now estimated, by an authority so conservative and well informed as the London Statist, at more than \$5,000,000,000 per annum, and in all human probability this amount will increase materially from year to year. \* \* \*

"Certainly it is the time of all times for us to change our gauge from narrow to broad and not only get our banking and currency system into line with the world's best commercial and financial thought, but show the world that a real Republic can deal with that most intricate of all problems of civilization, involving finance, currency, banking, commerce, and government, making the five work together for the common weal, the general wealth, the common advancement along all lines of endeavor and progress, and the glory and honor of the country and people."



# The Question of the Country Bank

## Explanatory Letter of Senator Owen

The following is in part the recent re-assurance given to country banks by Senator Owen of the Senate Committee on Banking and Currency:

"I have your courteous favor asking me to point out the advantages to a national bank in the proposed Federal reserve system to justify contributing 10 per cent of its capital in stock and a further 10 per cent in subscription. I gladly do so.

First, the first advantage is protection from panic, because panic will be impossible under this system, which provides immediate adequate expansion of the currency to meet commercial and industrial requirements.

Second, it safeguards a bank against an occasional local run (a hazard to which all banks are subjected in a greater or less degree), because under this system, with the consent of the Federal Reserve board, the Federal Reserve bank can also loan directly to any bank in trouble, upon collateral. This system in this way also places a bank's other correspondent banks in a position to extend assistance, because the correspondent banks, in case of need, can get like accommodations.

Third, it gives the ordinary member bank peace of mind against possible artificial panics or local stringency, and enables a banker who is engaged in the honest and efficient conduct of his business to feel a sense of perfect stability, knowing that no panic can injure him so long as he conducts his business on an intelligent and upright basis, and the bank can thus safely expand its business.

Fourth, while he loses 2 per cent on a part of his reserves deposited with the Federal reserve bank, he is more than compensated in actual cash returns by the advantages he can get out of the reserve system. To illustrate with a concrete case:

The average actual reserve of the national banks for April, 1912, was 25.39 per cent, based upon the following figures:

Capital .....	\$1,036,124,945
Surplus and profits .....	942,666,846
Individual deposits .....	5,712,051,088
Loans and discounts .....	5,882,166,597

### Lower Cash Reserves Legal

The actual reserve carried by the National banks has since 1885 ranged between 25 and 33 per cent. The actual reserve acquired and needed under the new system would not exceed 15 per cent, and I think 12 per cent for country banks and 18 per cent for city banks would be large enough, and I will so advise. These high actual reserves have been hitherto due to the fact that the reserves of the Nation were not sufficiently mobilized in a few strong reserve banks, where they might be held available for other banks and for the commerce and industry of the Nation; but, on the contrary, the individual bankers have been in rivalry with each other—have been in fear of each other, and in fear, also, of some sudden, unexpected withdrawals by timid depositors. This fear need no longer be entertained under the Federal reserve system, which proposes to follow the experience of Europe, in the Bank of England, the Bank of France, and the Imperial Bank of Germany, each of which great institutions is distinctly a great reserve bank, with power of expanding the currency to meet the demands of commerce. The consequence is the banks of England, for example, do not carry over six per cent of reserves in cash, but do carry considerable amounts of commercial and industrial paper, convertible into cash within short periods of maturity.

### Example of \$100,000 Bank

Taking the low average of 25 per cent of cash reserves carried by the country banks, the present bill would have the following effect upon an average bank of \$100,000 capital and \$550,000 of average individual deposits. A bank of this description is now required to carry 6 per cent cash in its own vaults. It actually is obliged to carry approximately 8 per cent as a safe margin to keep from coming within the prohibition of 6 per cent minimum. Of the 25 per cent average actual reserve, 17 per cent of the deposits of such a bank might be carried with reserve agents at 2 per cent. That is, such an average bank as described might carry \$93,500 with a reserve agent at 2 per cent earning \$1,870 from 2 per cent on such average balances with such reserve agents. Under the new system the average bank need not carry over 5 per cent of its deposits in actual cash, 5 per cent with its present reserve agents, and 5 per cent with the Federal reserve bank.

But it would be able, immediately, to loan 10 per cent of its deposits, now tied up in actual reserves—that is, \$55,000 could be loaned at 6 per cent, with an earning power of \$3,300. It could borrow two-thirds of \$27,500 (5 per cent deposits), from the Federal Reserve Bank; that is, about \$18,333 at probably 4 per cent, and lend it at 6 per cent, a profit of 2 per cent, or \$366.66. This makes a net gain of \$1,766.66 on the transaction; that is, \$3,300 plus \$366.66 less \$1,870.

### Deposits Buy Reserve Stock

It is suggested that such an average bank, with \$100,000 capital and \$550,000 deposits, would have to contribute \$10,000 in cash in taking stock in the Federal reserve

bank, and you intimate that it would be taken out of the bank's capital. This is not really true. It is not taken out of the capital. What is done is that the bank invests \$10,000 of its deposits in buying this reserve bank stock, and the bank gets 5 per cent out of such deposits so invested, while, in point of fact, it pays only 2 per cent, or, at most, 4 per cent on such deposits, and makes an actual net profit on the transaction of from \$100 to \$300 per annum, so that the net result to the average \$100,000 bank would be a substantial gain by the new system over the old system of approximately \$2,000 or 2 per cent on its capital.

I should be quite willing to have the public subscribe for this stock and make the bank subscription merely permissive instead of obligatory. The public subscriptions would come out of the bank deposits.

### Resources More Available

Moreover, under the new system, the 17 per cent average balances of such a bank, amounting to \$93,500, kept as reserves with the present reserve agents in New York, or elsewhere, in times of panic, are not available. In such a case you can not check on your own reserve deposits, much less borrow the money you want on good assets, yet this is precisely what a bank can do in dealing with the Federal reserve bank, just as an English bank can do with the Bank of England, as a German bank can do with the Reichsbank, or a French bank can do with the Bank of France.

The great majority of big bankers approve the principles of this bill but would like to control the system, while all small bankers who understand it are enthusiastically for the bill.

Another advantage which this bill gives is to permit the country banks to loan half their time deposits, or a fourth of their capital and surplus, on farm loans. I should be in favor, also, of giving them other advantages, which we can do more intelligently when we codify the national-bank act next winter.

It has been suggested that the bankers "putting up all the money" for the Federal reserve-bank ought to control, or have important representation, on the Federal reserve board. The banks will not put up all the money as a matter of fact. They will merely loan credits. The United States will put \$200,000,000 into these banks and will furnish currency to a larger amount if necessary, but the capital the banks supply is really the capital of depositors. The banks are purveyors of credit. They receive deposits as credits (and pay for a part of such deposits) and charge a larger interest for the credits which they extend (loans) out of the credits which they receive (deposits), keeping the capital and surplus as a margin of safety between them and the demand of their depositors.

[Senator Owen at this point describes in brief the systems in Germany, France and England, and the absence of bankers in control. His letter then takes up the argument for complete Federal control. This letter has been reprinted in full as Senate Document No. 154, First Session of the Sixty-Third Congress.]

## Wisconsin Bank Opinion

Printed statements have been made by Andrew J. Frame, relative to the effect of the Owen-Glass Bill, upon country banks. Mr. Frame is President of the Waukesha National Bank of Waukesha, Wis. He is quoted in part.

Without going into details with regard to the system of Federal Reserve Banks, proposed in the pending bill to give us banking and currency reform (H. R. 6454), a few salient points are sufficient to command our most respectful attention. In addition to paying 10 per cent of the capital of each bank into a Federal Reserve Bank, the Bill provides that 5 per cent of the deposits of each bank be also deposited in such a bank, and "shall not be diminished." I fear as to results, for it is clear to me that the committee which drafted the bill has not counted the real cost. Permit illustrations:

### Large Withdrawals Required

The bank of which I am President [Waukesha National Bank] would be obliged to pay into a Federal Reserve Bank as follows:

10 per cent of its \$150,000 capital ..	\$15,000
5 per cent of its \$2,300,000 deposits ..	115,000
Total cash to be paid to a Federal Reserve Bank .....	130,000
As we now hold in cash an average of about .....	160,000

This would leave but..... \$30,000. Any prudent banker, with our deposits, would keep not much less than \$160,000 in cash at all times. If so, then that \$130,000 must come from our present reserve agencies.

Now mark: Our reserve agency balances in Milwaukee, Chicago and New York simply cover our reasonable normal requirements for daily remittances and for selling exchange to our customers. Practically every dollar of these balances is turned over, on an average, every ten days. These balances are not superfluous. What is true of this bank is approximately true of all others. Material withdrawals from such balances would precipitate trouble.

[He then takes up the position of banks other than national and finally figures that if all banks accept the provisions of the Bill, the cash reserves required would be \$2,720,000,000. He concludes as follows:]

This is figuring on individual deposits alone of \$17,000,000,000 and not counting reserves required on deposits of banks with banks. All banks now hold in cash reserves the sum of \$1,570,000,000, including subsidiary coins, National Bank notes, etc., so there would be left a deficiency of \$1,150,000,000 in required reserves under this bill. This deficiency must be paid to the Federal Reserve Banks in cash, or the banks generally must part with \$1,150,000,000 of their choice, interest-bearing securities to liquidate the call.

These facts are astounding and call for serious answers to the following queries:

### Serious Considerations

1st. Will the sponsors of this Bill tell us where the banks are going to get even a part of the deficiency of cash reserves required under this Bill and still maintain sufficient city bank balances with which to do business, without calling loans or selling their best securities, as indicated above?

2nd. As the only market for gold, the world's standard for reserves, is outside of the United States, would not any attempt to obtain even a small part of the required amount abroad seriously aggravate an already over-strained condition the world over?

3rd. If even one-quarter of the banks in this country should call loans under the operation of this Bill, would not the effect be to raise interest rates generally, and to breed, instead of prevent or cure, a panic?

4th. In all fairness, why should the banks take from their reserves of cash, upon which more or less interest is paid, to the extent of three-fourths of the total and deposit these vast sums in Federal or other depositories, without interest on four-fifths of their amount; and then in turn borrow on rediscounts from these same deposited funds, paying interest therefor. To turn over interest bearing securities is the only way to replenish cash reserves. Is that equity? Is that relief in the day of trouble? Is that the true mission of a reserve bank? Sound logic would seem to indicate it is not.

5th. How many State banks or trust companies would voluntarily accept the bill, as now outlined?

6th. How many National banks would retain their charters, if compelled to accept it?

I assert, the true mission of a reserve bank is to mobilize an extra quantity of cash, not to be used in normal periods, but from which banks in abnormal periods can obtain rediscounts for cash.

## Ohio Bank Opinions

Senator Burton of Ohio has recently made public a letter which he had received from the Directors of the Farmers and Producers' National Bank of Scio, Ohio, setting forth their view relative to the Owen-Glass Bill. This is a small bank with a capital of only \$50,000. The quotation below is of the objections made by the Directors of this country bank.

"The bill virtually proposes confiscation of property of national banks to the extent of 20 per cent of their capital. Any larger amount might as well be taken; in fact, there is no reason why the remaining 80 per cent might not be confiscated also, or assurance that it will not be done by future act of Congress, if it seems to be required for the success of the project. This seems to us to be contrary to the principles of liberty upon which our Government is supposed to be founded. It is the furthest extension of Federal power over individual property ever proposed, except as a war measure. It is also economically unsound. The same money cannot be capital for two or more projects at the same time. Taking 20 per cent of the capital of existing banks to form the capital of new banks is, in fact, reducing the capital of the existing banks 20 per cent, but leaving it nominally unchanged. It amounts to watering the banking capital of the country to that extent, and, as the scheme is based on inflation of capital, it depends on inflation of credit to make it profitable, or, indeed, to make it work at all.

"The discrimination in this bill between national banks and State banks is so marked as to indicate a deliberate intention to injure national banks, and, so far as possible, drive them out of business. State banks are free to go into the scheme if they desire, or to stay out; but national banks are allowed no choice. State banks, if they go into it, are subject to no penalty for noncompliance with the requirements of the bill, except the nominal one of cancellation of their membership in the Federal reserve bank which, instead of being a penalty, would be a decided advantage to them in time of tight money, as it would return to them the value of their stock in the reserve bank, and their reserve on deposits, held by the reserve bank, while the extreme penalty of dissolution would be imposed upon a national bank for any violation of the law."

Senator Burton regards this letter as a particularly strong presentation of some of the objections to the currency bill in its present form.

## Separating Ownership from Management

"The fundamental objection to the plan is the character of the control which is provided. The powers that are granted to this Federal reserve board are in the main, but with some exceptions, such as would of necessity be granted to the directors of a central bank.

"The objection is not to the powers granted, but to the hands, in which they are placed. Nor does that objection lie solely against the fact that the proposed Federal reserve board is political in its character, although obviously both financial and political history, as well as the operation of our present-day commissions, furnish ample illustration of the danger, the ineffectiveness, the inadequacy of a politically appointed board for responsibility of this sort.

"The objection, however, is even deeper. If the appointing power lay with the banks themselves and the detached character of the board was maintained, a board could not be created which would be competent to assume responsibilities. The trouble lies in separating the management of a financial institution from its ownership. A management so separated, no matter how appointed, could not remain intelligently in touch with conditions and perform the vastly important and extremely complicated functions that are entailed under this plan, and which must be inherent in any plan which will successfully mobilize the banking reserves of the country. It must not be forgotten that the men who control the capital invested in the banking business can and will withdraw that capital if the conditions of the business do not, in their opinion, warrant the continuance of the investment. There cannot be, over any considerable period, prosperous banking without prosperous business.—Frank A. Vanderlip, President of National City Bank of New York.



## THE TALBERT-OWEN CORRESPONDENCE

In response to the invitation of Senator Owen, Chairman of the Senate Committee on Currency and Banking, to the bankers of the country to give expression to their opinion on the several features of the present currency bill before Congress, Joseph T. Talbert, Vice-President of the National City Bank of New York City, addressed a letter to the committees of Congress having that measure in hand. The main feature of Mr. Talbert's letter is the proposal set forth in detail to substitute for a proposed Federal Reserve Board, two co-ordinated boards, one to be supervisory board composed of Government officials exclusively, the other to be the administrative or discretionary board which would undertake the actual operation of the banking system. Mr. Talbert's letter, is, in part, as follows:

"With modifications of a few sections which involve the elements of sound currency and banking legislation the plan may be made, if not ideal, certainly practical and workable.

### Mobilization of Bank Reserves

The plan is good in that it recognizes the necessity for the mobilization of bank reserves, but it is not so strong, as it might be made in this particular, because it temporizes with the principle itself and provides for not less than twelve Federal reserve banks in which the reserves of member banks are to be placed and held and thus necessarily scattered, instead of accepting and adopting the whole principle at once, and in accordance therewith establishing one strong, impregnable central bank having as many correspondingly strong branches as may be required.

Under the plan proposed many member banks no doubt will be stronger in capitalization and probably also in resources than are the branches with which such banks are required to do business. This certainly is not calculated to inspire confidence nor to induce the larger banks to accept memberships with attendant risks and responsibilities.

### Confused Note Issue Basis

The plan is good in that it provides for the establishment of a discount market; but it is weak in confusing short-time commercial assets with investment securities as a basis for note issues. It is also weak in granting to the Federal reserve board the discretionary power to authorize loans against investment securities; and also, in granting the board power to fix minimum discount rates for Federal reserve banks. The plan is good in that it seeks to bind together the several Federal reserve banks under one central control. This is sound and absolutely necessary, but it is bad in placing the central control absolutely in the hands of political appointees.

[Mr. Talbert at this point refers to the teachings of history as found in the records of the First and the Second Bank of the United States and argues that the present proposed plan means a "Third Bank of the United States." After stating that bankers accord to the government a large voice in the affairs of reserve banks, Mr. Talbert goes on to say:]

### Powers of Board

The plan is good in that it grants to one Federal reserve bank the power to lend to another such bank; but it is unsound and dangerous in giving to the Federal reserve board power to compel a Federal reserve bank to make loans to another such bank.

"The plan is good in the general provisions which are made for note issues by Federal reserve banks against short-time, liquid assets supported by strong gold reserves; but it is weak, if not actually deceptive, in certain of the conditions imposed upon the issue of the notes and in failing to insure their prompt and automatic redemption.

### Compulsory Membership

The plan is good in that memberships in the Federal reserve banks are open upon equal terms to national and state banks alike. But it condemns itself and betrays a lack of confidence on the part of its proponents in that membership on the part of national banks is made compulsory and a condition of their remaining in the national banking system. It would be difficult to imagine a weaker or less defensible position for a great constructive undertaking.

Considering the points here raised the following questions seem clearly defined: Shall the control and domination of the banking business of the United States, including note issues, bank credits and the cash reserves of the banks be surrendered unconditionally into the hands of a board of seven members appointed by the Presi-

dent, the authority of which board is supreme and whose acts are subject to no review or appeal?

### Danger from Politics

Is there any reason why such control of the banking business should be placed in the hands of any politically appointed group of men? Is there wisdom or safety in placing such power in the hands of a board of seven individuals having no personal interest in the banks or in their safe conduct? By reason of a lack of personal interest in the banks on the part of the members of the Federal Reserve Board and of their failure to represent, directly or indirectly, the stockholders of the bank, is it not reasonable to suppose that their official acts might be influenced by personal or political considerations?

Is it conceivable that the officers, directors or stockholders of any individual bank, whether national or state, would voluntarily assent to such a proposal on its behalf alone; and if not why should such banks assent to it collectively? Why should not the banks which are required to contribute all the capital of the Federal reserve banks and to assume all the risks of the conduct of their business be given voice in the board of control, and if not why not?

### Banks Will Hesitate

Shall the national banks be compelled and will the state banks voluntarily propose to become members of Federal reserve banks, contributing their capital and placing the whole or a greater part of their cash reserves absolutely and unconditionally under the control of any political board? Would any bank alone do this, or in the case of shareholders would they consent to do so with their own private fortunes? Would any private corporation or individual do so, and if not why should the banks collectively be called upon or compelled to do so? These questions answer themselves.

### Proposes Supervisory Branch

In view of these representations the following suggestion is respectfully offered: Why not have the Federal reserve board composed of two co-ordinate branches, working together but acting independently within their respective spheres much as do separate committees on ordinary boards of directors? (1) The supervisory or Government branch to consist, let us say, of six members, all ex-officio, and to be respectively the Secretary of the Treasury, the Secretary of Agriculture, the Comptroller of the Currency, the Treasurer of the United States and the respective chairmen of the committees on Banking and Currency of the Senate and the House of Representatives. The duties and powers of this branch should not be discretionary. They should be fixed by statute and be sufficiently broad and ample to compel the conduct of the Federal reserve banks according to law.

### Proposes Business Branch

(2) The administrative or business branch to consist of five members, all to be experienced bankers elected by the boards of directors of the several regional banks, not more than one member to be chosen from any district, and from their numbers to be selected the governor, the vice-governor and other officers of the Federal board of control. The duties and powers of this branch should be purely administrative, and, broadly, should embrace all the discretionary and executive powers now sought to be placed in inexperienced hands. Certain general powers, such for example as the appointments of Federal reserve agents, the appointments of directors of Class C of Federal reserve banks, questions relating to the establishment of branches, etc., might properly be made joint

The reply of Senator Robert L. Owen, Chairman of the Banking and Currency Committee, to the letter of Mr. Talbert is here included in part:

I am pleased to receive your comments on the proposed banking and currency bill and have given the matter careful consideration.

I knew, of course, that you agreed with the importance of "mobilizing the reserves," providing "elastic currency," and establishing a "discount market for short-time, self-liquidating, commercial credits" growing out of trade transactions, and your approval of these principles which are found in the banking and currency bill introduced by me (S. 2639) is gratifying.

While the reserves are put in twelve reservoirs (of the 12 Federal reserve banks), the reservoirs are piped together by the provisions of the bill, under the control of the Federal Reserve Board, who can cause the reserve superabundant in one section to be transferred to another section needing temporary assistance by requiring one Federal reserve bank to loan to another, where the security offered by the borrowing bank is satisfactory to the directors of the leading bank.

### Two Bases for Currency

The power of the reserve banks to obtain currency from the United States against short-time self-liquidating commercial paper will furnish all of the accommodation any member bank may be expected to require. The power to occasionally use investment securities as a basis for borrowing such currency, I think, would be bad if it should fix a regular custom, but its occasional use might be sometimes very serviceable.

and rest in the whole board, of which the Secretary of the Treasury should be chairman.

### Government Would Supervise

This would seem to leave the Government in complete supervisory control of the banks, with ample power to compel observance of the law, and at the same time would place the business administration of the affairs of the regional banks in experienced hands. And, moreover, such an arrangement would take the banks entirely out of politics.

"In this manner the Executive department of the Government and Congress itself through the chairman of the committees on Banking and Currency would be always fully aware of the condition of the banks, and would be assured of their proper and lawful conduct; while the financial responsibility for the conduct of the business affairs of the bank would rest where it properly belongs, in the hands of chosen representatives of the shareholders.

"The ex officio officers should of course receive no additional salaries, with the possible exception of the Comptroller of the Currency; while the salaries of the members of the administrative branch might be fixed either by the whole board or by the votes of the directors of the regional banks, or in any other equitable manner so as to make certain of the services of experienced men.

"That the time is ripe and the need pressing for the establishment of a third Bank of the United States, whether it be in the form of one great central bank or of a dozen regional banks under central control, there is no reasonable doubt. But that the affairs of such a bank or banks should be beyond the reach of politicians and without the bounds of political intrigues, ambitions or entanglements there can be no question whatever.

### Times Demand Action

"The modern facilities for communication and transportation and the rapidity with which commercial transactions are consummated have caused the volume of trade to increase by leaps and bounds, and have thrown upon credit all over the world a constantly increasing strain. Periods of acute financial stress are becoming, therefore, more frequent and more or less chronic, resulting occasionally in crises which may be resolved only by greater and greater losses and disasters unless we shall reorganize our monetary and banking systems and adapt them scientifically to our needs.

"The present seems the opportunity of a century. The people need, desire and expect such legislation. They intend to have it. The party which possesses the courage and statesmanship to rise above the petty advantages of ephemeral political expediency and give the people a sound measure free from political prejudices will merit the confidence and will receive the support and gratitude of the people."

The Federal reserve board should no more be stigmatized by the epithet "political appointees" than the Supreme Court of the United States, whose members are also "political appointees." It is in either case a government body of the highest dignity and character—not a partisan machine.

I remind you that the bank of England has not on its directory a single banker, broker, or bill discounter, but it is controlled by public opinion as a great national agency and as a safeguard for the commercial and industrial interests of the British Empire.

### Bankers Should Not Control

Your plea that the bankers should control the Federal Reserve Board and the proposed reserve system, would violate the experience of England, France, and Germany and is contrary to common sense, for the obvious reason that these reserve banks are not created to enable you to make more money but are established to safeguard the commerce and industry (including the banks) of the people of the United States and to put an end to the periodic sinister expansion and contraction of credits leading to the so-called "bull markets" and "bear markets," in which banks like your own have been used as a means of promoting private interests at the public expense.

The bankers have no more right to ask to take charge of the governing functions of the United States proposed to be exercised by the Federal Reserve Board than the railroads would have a right to demand control of the Interstate Commerce Commission, which is intended to regulate them in the interest of public justice. The bankers have no more right to ask control of the Federal Reserve Board than the beef packers of Chicago to demand the right to administer the pure-food act, which is intended to regulate beef packing in the public interest.

I confess that the bankers understand the banking business, that the railroad men understand the railroad business, that the packers understand the beef business, but their point of view is money-making out of their business. Their point of view is not the point of view of the public interest, except so far as an individual may be moved against his own interest by patriotic considerations. And patriotic considerations have not, in the past, been found sufficient to safeguard the public against the local, sectional, or selfish interests of such private persons moved by their own natural desire to promote their private fortunes at public expense.

### Governmental Not Political Control

I trust you will not deem it discourteous if I suggest that I appreciate your point of view better than you appreciate the public point of view.

You urge that a "politically controlled bank" can not be kept permanently "out of politics." My answer is that the proposed bank is a *governmentally* controlled bank, but that if the banks themselves were permitted to control the Federal reserve board, the National City bank would head the list in its political activities to get control of this Federal reserve board, and would not be moved altogether by altruistic purposes. We should then have financial politics in control of the board with selfish interests behind it. We must make our choice between protecting the people by the Government and protecting the people by the political bankers and, being obliged to make that choice, by the experience of the past, I am in favor of protecting the people through their own chosen representatives.

### Strictures on Banks

You would greatly misunderstand my letter if you fancied for one moment that I have any other than a friendly disposition to the big banks of the country. I am in favor of serving them well by giving them a system which will safeguard them against harm, against panic, against each other, for some times they eat each other up.

Your protest "against the unwise proposal to concentrate the regulation and control of credits \* \* \* in the hands of a few politicians," and evidently favoring the policy of retaining such regulation and control in your own hands, is a very ingenious admission on your part of a fact which is thoroughly well understood by the country, but obviously not well understood by you. The people of the United States are not going to permit, any longer, a few men not responsible to the people of the United States, to continue "to concentrate the regulation and control of credits in their own hands."



# FAIR PLAY AND THE NATIONAL SPIRIT

SPEECH OF PRESIDENT WHEELER

AT SAN FRANCISCO CHAMBER OF COMMERCE, JULY 14th

In response to the toast "THE CHAMBER OF COMMERCE OF THE UNITED STATES," I speak of an organization but a year old called into existence as the result of a conference of the business men of the country at Washington, in April, 1912, increasing in strength from zero to a combination of 356 Chambers of Commerce and national trade organizations and including in its membership more than 200,000 business firms and business men.

Such a force is not created by an accident, nor because of the brilliance of any individual's idea or the genius of any set of men. It exists as a natural evolution of American business conditions, of an absolute need for the co-operative protection of American commercial interests, and because the time for its organization had arrived and the psychological moment proved to be the time when the commercial conference was called by the President of the United States.

It is fair to ask why it was the psychological moment and to examine what special fields of activity the Chamber will occupy in the interests of American business. It was the psychological moment because for a period of more than ten years great activity was manifest over the entire country in the formation of community and trade organizations. These organizations were in themselves the result of an evolution which it is interesting to note. For a century there have been chambers of commerce. For the greater part of this period they have been deliberative bodies, meeting infrequently, debating problems of local or national interest, passing resolutions and adjourning. But that is not the chamber of commerce of today. Evolution has wrought a new organization, an organization officered by the most virile life of the community, interested not only in the upbuilding of commerce but in the purification of civic life. Broad in the scope of its activities, almost to philanthropy, watchful of every interest that affects the city, sleepless in its enthusiasm for development, consistent in its planning and in its execution, the most beneficent force that community life in America has ever known.

## ORGANIZATIONS EVOLVED BY CHANGING TIMES.

The National Trades organizations are but the evolution of the changing form of our commercial life. As industries multiplied and the volume of our commerce increased by leaps and bounds, and as competition became keener with every passing day, the old antagonism and enmity between competitors melted of necessity into co-operative spirit in order that higher efficiency might be attained and the constantly decreasing margins of profit might be overcome by constantly decreasing cost of production.

Organization, whether it be that of a community life, or of individual trades or groups of trades is but the expression of national progress and prosperity. A hundred years ago our country had no need for the refinement of organization that exists today. A hundred years from now if our progress continues we will have need for a greater refinement than we possess today. Evolution is as sure as the laws of nature, and the psychological moment for the organization of the Chamber of Commerce of the United States lies in the absolute necessity that forces created be linked together in order that the highest efficiency may be attained.

Another reason why the opportune time had arrived was due to the indiscriminate attacks made upon business generally, upon public platform and in the daily and periodical press of the country. As an argument for the larger governmental regulation of business one of the candidates in the last presidential campaign repeatedly declared that the business interests of the country were engaged in a chaotic struggle to devour each other; and that all were combined in an effort to enslave the working man.

The popular prejudice which was first roused against the railroads has extended its line of attack to include the industrial life of the nation and the profession of banking. Popular sentiment has it that all who have been successful in the accumulation of wealth have done so by predatory means, and that rottenness underlies the entire commercial fabric of the nation. To be popular with the general public upon the platform was to give voice to violent attacks upon these interests. To popularize the periodical press statements were made without the slightest foundation, or an isolated example of evil doing was made to bear upon an entire industry.

## SUSPICION AROUSED.

The popular mind which once gave strong co-operation and financial assistance to railroad construction and industrial developments was gradually by this process of indiscriminate criticism turned into suspicion and hatred to a point almost socialistic in the worst sense. The individual, who from the public platform appealed to this popular prejudice for the cheap reward of popular applause and for self aggrandizement has done more of a wrong to the general public than any of the interests railed against and the press that has willingly and for purposes of sensationalism excited popular prejudice without caring whether their facts were well founded or were facts at all, deserve the condemnation of the entire people, and while reaping a reward while the wave

of popular prejudice is on will ultimately be overthrown when the pendulum swings back as it will and the people come to discriminate for themselves between truth and falsehood.

For ten years this campaign of misrepresentation and misstatement has been going on with little or no contradiction on the part of business, and the Chamber of Commerce of the United States born at a psychological moment enters the field to present a legitimate defense against the unjust attack, while willing to concede whatever illegitimacy has or may exist and to be the first in the field to make impossible a repetition of these acts. Ninety-nine per cent of business is honest and in it is exhibited the highest integrity that has ever been known in the history of the world. The American business man stands in the forefront of those who adhere to the highest principles of honor and integrity in the conduct of his business.

## PROPER DEFENSE URGED.

Single-handed he has been powerless to present a proper defense, nor have communities or organized trades been able to bring about a reversal of public opinion. The business men of America must stand together, must undertake a counter campaign which shall uncover the misrepresentation and disprove the falsehood or suffer from a further extension of popular

prejudice to a point that will seriously interfere with the progress of the nation.

And what may the Chamber of Commerce of the United States do? Questions without number press upon each other for consideration. In the field of our domestic commerce the vital question that must find solution in the next regular session of Congress relates to the manner in which our industrial combinations engaged in interstate trade shall be regulated and controlled by the Federal Government. Ever since effort has been made to enforce the Sherman anti-trust law the government has tried in vain in all of its experiments to legislate into existence competition where co-operation has become an economic necessity. Combinations have been broken up in the hope of restoring competition only to find that the situation remains unchanged except that the public are paying a higher price for the articles produced than under the former conditions.

## PUNISH WRONG METHODS.

There is an economic advantage in combinations which can not be lightly set aside. Not the unregulated monopolistic combination with ownership of basic products and producing power covering a major part of the total production of a given line; but a combination either of many plants brought together under single control or of plants separately controlled brought together under trade agreements so regulated by law as to make impossible the illegitimate competition that has marked the advance of a few lines of business, and so regulated by a properly constituted commission that under-selling in one territory for the obvious purpose of driving out competition, while maintaining higher prices in another territory to off-set the losses sustained, shall not only be illegitimate, but shall be punished in drastic measure through a forfeiture of rights which that corporation must enjoy in order to succeed at all.

Congress will not solve this question to the satisfaction of the business interests of this country unless wise counsel and advice be given by men who have business experience. The control of our combinations and so-called trusts, and their proper regulation is necessary in the interest of all the people, and the great majority of the business men of the country are favorable to such regulation. It remains with the Chamber of Commerce of the United States to rough its constituent members to find a fair basis for such regulation and control and in co-operation with those whom we have elected to make our laws, to bring out either such an interpretation of existing law as shall make a clear path along which business may progress, or such amendments to existing law as may with certainty give to our commercial interests a clear and unobstructed field for their operation.

## DRASTIC METHODS HARM.

We should remember and give serious heed to the fact that drastic regulation not only affects the ability of our industrial corporations to compete with each other in the home market, but that any division for the sole purpose of trying to reinstate an uneconomic condition is apt to so decrease the efficiency of these corporations in competition with foreign producers of like lines in the world's market as to destroy our ability to compete abroad and hence to invite over production with all the evils attendant upon such a condition.

Closely allied to the regulation of our industrial corporations is the question of the expansion of our export trade. By gradual processes our manufactures have increased in this country to a valuation of more than twenty billions of dollars, and in ratio infinitely faster than our increase in agricultural production. Of this great volume of manufactures we are selling five per cent in foreign markets and this five per cent is by no means entirely finished products, but for a very large part a product partly converted for further manufacture in other countries. Each year our manufacturers increase their plants to take care of a greater volume of business. Our capacity for production is always equal to the highest demand of a domestic market in the most prosperous year, and in that year which may come at any time when through a depression of local conditions the demand is materially lessened, we risk an entire loss of profit through the overhead charge necessary to carry our industrial capacity, through the fact that we do not in times of plenty cultivate markets other than domestic, not subject to the same influences as the domestic market, and in consequence able to absorb our products when the home market is closed.

Foreign trade is essential from several points of view. In the first place we must struggle harder than we are now struggling to maintain a balance of trade in our own favor. You say to me "Why struggle? The balance of trade is always with us and in the last statistical report of the Department of Commerce there is indicated a balance of exports over imports in the great sum of six hundred millions of dollars." If this were true it would be gratifying, but we should not delude ourselves with the idea that we have a right to command from Europe payment in gold to the extent of six hundred million dollars when such is not the case.

## OUR DISAPPEARING BALANCE.

As a matter of fact when we have paid foreign shipping companies their charges for the transport of our imports and our exports, when we have paid foreign bankers for the financing of our export business, when we have paid the European nations interest upon their investments made in our securities and have considered the money spent in Europe by our citizens in travel and research and purchases, we have turned the balance of trade from six hundred million dollars in our favor to five hundred million dollars against us,—a balance which must be paid in gold and which may at any time seriously threaten our resources.

Steadily the export of our agricultural products has decreased. The increase of our industrial life has made necessary the raising of an ever increasing store of bread stuff and food products to feed the people who are engaged in the conversion of material through the medium of our industries. Save only cotton there is no staple formerly produced and sold largely to European and Asiatic nations in which we still retain an export business of any magnitude. Wheat and corn, live stock and the products with which we once fed the world are of necessity retained at home and the balance of trade maintained in our direction must hereafter be maintained by an ever increasing volume of export of manufactured products.

Export trade is dependent upon an intelligent solicitation of business and that is something we have not yet



learned in this country. We assume that we can send a salesman to Japan or China or South America on a flying trip as we would send him into Montana or Colorado. Never was there a greater fallacy. The creditable representative of our industries in foreign markets must speak the language, know the customs, and live with the people if he expects to enjoy patronage in proportion to that given to other nations. A Frenchman wisely said that for any nation entering into the export trade a prerequisite to the export of merchandise was an export of men; and until we are ready as a nation to send our young men into the countries we desire to sell, to locate them there, have them established as a part and parcel of the social life of the country, just so long we will be at a serious disadvantage in placing any of our products in foreign countries in competition with like products from nations more far-sighted.

#### STUDY MERCHANT MARINE.

Nor will our export trade grow if we deliberately restrict our merchants to foreign shipping companies, and by a penny-wise and pound-foolish policy with respect to a national merchant marine fail to encourage shipping carrying our own flag, interested in the upbuilding of American industries, interested in the prompt, speedy and satisfactory delivery of our shipments and co-operating with our manufacturers for an annual increase in the volume of our business. What interest has Germany, Great Britain, France or Sweden in the development of American industries as against those of their own country? And have we any right to expect that our merchants will not be given scant consideration when with cargoes offered in excess of capacity it is necessary to discriminate as to what shall be taken and what shall be left upon the dock.

Gentlemen, we may cry for an export business and we may recognize its need but until we recognize that need sufficiently to stand staunchly for such provisions as will encourage the development of an American Merchant Marine we will not enjoy the expansion of foreign trade which we desire and which we deserve and which would be ours if we were to cultivate it wisely.

Export trade must likewise be predicated upon something of reciprocity. Reciprocity to the extent of an investment of some of our money in the development of the resources of foreign countries. Reciprocity as expressed in a willingness to buy from them the products they have to sell, as an offset to the products which we ask them to buy from us. How can we expect to compete with European nations with hundreds of millions of dollars invested in the utilities and mines and securities of the governments of Oriental and Latin-American powers while we sit supinely at home failing to give relief and aid when it is desired on the ground that we have an ample market for our money within our own borders and have no need to seek investments beyond the confines of our own country.

#### OTHER NATIONS ACTIVE.

Commerce travels back over the line of capital, as commerce travels back over the line of human life and until we are able to contribute of our men, of our money, of our buying power, in like proportion as we ask others to give to us we shall be fruitless in our search for a large export business. And, unless, in the very near future, we make possible a reciprocal relationship which the countries of the Orient and Latin-America especially desire, we will find our opportunity gone and Germany, Great Britain and France so strongly entrenched in those countries as to make difficult if not impossible the introduc-

tion of American merchandise in competition with that of other countries.

We must have better banking facilities and a banking and currency law which it is hoped properly modified may be enacted in this special session or in the following regular session of Congress, which should and must give us the ability to establish foreign banks in foreign countries in order that our export trade may be more easily handled, and our credits be more safely made.

These are the things which the Chamber of Commerce of the United States must undertake to do: To aid Congress to enact reasonable legislation for the regulation of our industrial corporations. To aid Congress in finding a solution of the transport of our over-the-seas trade; to aid the Department of Commerce and all of its Bureaus in the gathering of information from all parts of the world and of distributing that information to those whom it will profit. To aid Congress in the enactment of satisfactory monetary legislation in that our bank system at home may be more stable and our ability to finance our foreign operations more sure. To encourage a reciprocity as between ourselves and the nations we desire to sell.

#### WILL AID ADMINISTRATION.

In short, to aid every administration by cordial co-operation rather than carping criticism. To encourage constructive legislation and discourage that which is obstructive. To draw together in a common bond the business men of America in defense of their good name and in the creation of an instrumentality through which they may speak as a whole with authority to the Executive and to Congress relative to the things which business needs. To bring into agreement not only those who are engaged in commercial life, but, through an honest and sincere consideration of the perplexing social questions with which we are now dealing, to find a common ground with other organized national interests for the study and determination of that which will best serve the country through restoring confidence and harmony as between the interests which today are suspicious of each other and inharmonious in their action.

To create a force comparable in every respect to the organized forces of labor and of agriculture, not for the purpose of warfare, but that where forces of like strength exist, having respect for each other's strength, compromise and arbitration may take the place of open antagonism, and many a serious question may be settled, and many an economic problem solved in our country if we can reach the point where these three great wealth producing factors of the nation are willing to strive for a common solution of the problem at issue, and through a willingness to take each other in some measure in confidence, avoid the long delay and the bitter conflict which often results from misunderstanding and suspicion.

#### Phonetic Spanish

"The South American" of New York began publishing in its ninth issue "Santamarina's Phonetic Method of Learning Spanish." Four lessons will be included in each issue. Regarding the plan, "The South American" says editorially:

"During the coming years the affairs of Mexico, the West Indies and Central and South America will absorb the attention of the United States more than the affairs of all other nations combined. Excepting the Portuguese of Brazil, the French of Haiti and French Guiana, the Dutch of Dutch Guiana and the English of the British colonies, the language in these vast regions is Spanish. In all these countries the English language is taught in many schools so that more Latin Americans know English than Americans know Spanish.

In equipping American boys and girls for usefulness, the Spanish language is more important than any other foreign language, or than the dead languages. Furthermore, grown men and women will find a knowledge of Spanish not impossible to them and a very serviceable accomplishment. Comparatively few can employ tutors or attend schools where Spanish is taught.

## New England in South America

The tour of South America by business men of New England, under the management of the Boston Chamber of Commerce ended safely July 22nd.

When the delegates reached their homes on July 22nd, a tour probably unparalleled in the history of commercial organizations came to an end. Despite the fact that in the eighty-nine days that it lasted over 15,000 miles by sea and land were traversed through climatic conditions ranging from the tropical to the Arctic, the schedule as arranged was beaten by more than twenty-four hours. Throughout the journey everything moved with the precision of clockwork and despite frequent stops and transfers not even a handbag went astray. The trip was without accident or serious illness, and even weather conditions seemed to have entered into agreement to make the tour ideal.

Seven of the foremost Republics of South and Central America and three West Indian Colonies were visited and everywhere the welcome was such as given to honored guests. Everywhere commercial organizations and government officials, both national and civic, vied with each other in extending the most elaborate courtesies.

The President of the delegation, Col. Henry L. Kincaide, thus characterizes the embassy:

#### FRIENDLY FEELING NOTICEABLE.

"The friendly feeling which was everywhere displayed for our North American people ought to be a source of gratification to them and should encourage our citizens to do everything in their power to foster these friendly relations.

"In every country visited, Panama, Peru, Bolivia, Chile, Argentine Republic, Uruguay and Brazil, the delegation was received by the president of the republic and the highest government officials. The leading men of affairs, representing every well known commercial nation, joined in making the visit of the delegation a success and will do everything possible to promote and broaden business relations.

"The best opportunities possible were placed at our disposal to study mining, nitrates, cattle raising, wheat growing, coffee, cultivation, preparation and shipping, sugar-growing and manufacture, opportunities to visit shoe and leather factories, cotton and woolen mills, packing houses, 'wine bodegas,' to study ports, shipping, educational institutions and commercial activities.

"Everywhere interest in us, our friendly mission, Boston, New England and the United States generally was apparent. Our advances were met more than half way and I cannot but feel that a lasting friendship has been entered upon between these countries and the United States, especially that part of it that contains Boston and New England."

The following matters of national interest have been selected from the Boston Transcript:

#### MUST REBUILD CONSULAR SERVICE.

Engaged by the Government to carry out several diplomatic missions of importance, Professor J. D. M. Ford, of Harvard University made a special study of the United States consular service in South American ports. He also visited the best-known universities and educational institutions, in order to complete arrangements for the annual exchange of professors between the colleges of the United States and those of the southern continent.

"Our consular service in South America must be built up, and that right soon," said Professor Ford. "Many of our consuls are poorly paid and quartered, so that the service has not yet attracted men of the kind suited to the duties of their positions. The need of speedy improvement is urgent, as there is small wisdom in hampering American trade and American gains by saving a few dollars in salaries.

Insistent efforts should be made by all business men to induce the State Department to improve conditions at once."

#### CHAIN OF BANKS NEEDED.

Colonel Henry L. Kincaide, the Quincy merchant and banker, believes that the extension of American banks to South America is the necessary forerunner of wide trade expansion. "After considerable investigation," said Mr. Kincaide, "I take the view that a chain of fifteen or sixteen small branch banks would be better suited to survive the competition that must be met at the start than would one or two large American institutions. The smaller banks,

beginning in a quiet way, would not be likely to attract the attention of the foreign bankers at the outset, whereas it is sure that the great German, French and English houses would do their best to squeeze out any American competitor they considered worthy of notice. The small banks could render all the services now so much in demand among American exporters in exchange and in credit-rating, but of course they would not be able to supply the great demand for capital which is constantly made in South America."

#### ASTONISHING PORT PROGRESS.

Professor Geo. H. Blakeslee, professor of history at Clark University, has made the following interesting statements:

"One of our American millionaires recently remarked to an educated Brazilian that the Panama Canal would greatly reduce the distance between New York and Rio de Janeiro. His mistake—as bad as placing New York City on the Pacific ocean—is somewhat typical of our general ignorance of our neighbors to the south. If our millionaire should visit Rio or Buenos Aires, he would find cities more artistically planned and more beautiful than our own, with instances also of surprising energy and progress.

Buenos Aires has just contracted for a \$70,000,000 extension of its dock facilities. Ocean steamers land at splendid stone docks which stretch for miles along the water front.

Many smaller cities are as up-to-date as Buenos Aires and Rio. Valparaiso is spending some \$16,000,000 on its harbor; Antofagasta, Chile, is to have new wharves, and a break-water to cost \$12,500,000; while Bahia, Brazil, is building stone docks at a cost of about \$13,000,000 and spending some \$10,000,000 more in widening its streets.

#### RAPID FACTORY DEVELOPMENT.

Another evidence of progress is the rapid development of factories, especially in Brazil. There are already 140 cotton mills in Brazil alone; these are earning big dividends and adding large new steel buildings to their existing plants. Protected by a high duty these manufacturers are assured of a bright future. The Argentine Government, in turn, has now practically decided to adopt a startling and brilliant plan for the development of its industry. Since there is no coal in the country it will create a great manufacturing center in the foothills of the Andes, where abundant water-power exists. There is not even a village there today, but a railroad which will reach it is already one-half constructed.

All this is typical of South America at its best. We must not confuse its leading countries with Central America nor think of them as lands of revolution, yellow fever and bull fights.

#### REFORM LEGISLATION.

In reform legislation, it should be added that Argentine has probably a more liberal pension system than exists anywhere in the United States. All teachers, for example, are retired on full pay after thirty years' service. Little Uruguay has now before its Congress Government bills providing for a universal eight-hour working day, one day of rest after six working days, state insurance and savings banks. State pensions for working women just before and after confinement, and, in politics, for a system of proportional representation."

#### Hard Fibers in 1911

The Philippine Islands produced 160,000 tons of Manila hemp in 1911. Java came next with 400 tons.

Yucatan produced 121,750 tons of henequen or Yucatan Sisal in 1911; Cuba came next with 1,850 tons.

German East Africa produced 11,212 tons of true Sisal in 1911. The Bahamas came next with 2,500 tons.

New Zealand produced 18,094 tons of New Zealand Hemp in 1911. That country was the sole producer.

#### Referendum List

The Library of Congress has recently published a select list of references on the initiative, referendum and recall.

This list is the result of cooperation between the Division of Bibliography and the State and legislative reference librarians throughout the country. A preliminary list was prepared in typewritten form and sent to each State library or legislative reference library where such existed. Results in the form of additional titles or suggestions were received from a number of states, notably from Oregon, Ohio, and Wisconsin.

The publication consists of 102 pages and is for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. Paper, 15 cents.



# THE SECRETARIAL FIELD FOR COLLEGE GRADUATES

BY  
PAUL T. CHERINGTON

College training of recruits for the professions is comparatively new. The young man of former generations, after he had recovered from the hilarity and fatigue of the end of his college career, sat down among the law books, or cleaned instruments for some surgeon, and began to absorb what he could to make of himself a satisfactory recruit for his chosen profession. Today he goes to a law-school or a medical school, and comes out, not a finished practitioner, but a trained recruit. That is the modern way.

We hear of new "professions" every few days. But there are few lines of work which so well deserve this title as does the work cut out for the Secretary of a Chamber of Commerce, or similar commercial body. This is a relatively new field in its present expanded form. And it is calling for high-grade, trained men who are willing to enter it at the bottom and work up in it, as they would in any other profession.

## WHAT THE FIELD OFFERS.

What does the present-day commercial body secretarial profession offer to able young men who are willing to start low and work hard? And how can training for this work be secured?

These are two questions which ought to have vital interest to some of the best young graduates of American colleges every year. Here is a small profession where the work is hard, where the head-room is ample, where the possibilities for usefulness are almost unlimited, and where the monetary and other rewards are not to be ignored.

The present-day Chamber of Commerce is a power. A Chamber of Commerce in North Carolina is teaching the farmers of the county how to market their products. A Chamber of Commerce in Alabama is helping worthy farmers to settle on good small farms near the city in which it operates. A Chamber of Commerce in New York State is putting new and intelligent life into the apple business of its vicinity.

The activities of Chambers of Commerce and similar trade organizations today make the work of those bodies of a few years ago look passive. The truth is that the Chamber of Commerce idea is making history very rapidly.

## A BODY OF DEEDS.

The most active and ingenious of the chambers of today owes much to the Chamber of Commerce idea about which its "resolving" predecessor grew up and died. But the "doing" body of today has gone so far beyond its "resolving" forebear that it is prone to forget that it is still the same old "voluntary association of business men working for the common good."

The new lease of life taken on by this institution in this country seems to be due partly to a new appreciation of the immense power stored in a "voluntary association of business men," and partly to a new appreciation of the meaning of the "common good."

In Europe many of the trade bodies of this kind have official, or, at least semi-official standing. Here, we have had these bodies rising in importance only with the rise of the intelligence and tractability of the business man. No official pressure or help has been available to hasten the growth. And that is one thing that makes the activities of these bodies within the past few years so well worth study.

## SCOPE OF THE FIELD.

A recent publication by the Bureau of Foreign and Domestic Commerce shows that aside from the 242 interstate, national, and international trade bodies in this country with over half a million members, and the 183 state bodies with nearly 75,000 members there was a huge collection of local bodies of a commercial character.

A compilation made by the Chamber of Commerce of the United States of America from this publication shows that every state and territory has bodies of this kind at work. Some of the figures are of special interest:

	No. of organizations	No. of members	Total dues
Total—U. S.	2,924	443,718	\$7,916,693
New York	165	34,587	484,758
Pennsylvania	170	34,299	271,892
California	160	28,098	436,488
Texas	187	26,328	.....
Ohio	114	24,605	371,287
Massachusetts	93	24,581	227,316
Illinois	171	24,356	870,724

From this compilation it appears that there are seven states each of whose commercial organizations have a combined membership of 20,000 or over. There are five other states which report between 10,000 and 20,000 members in their commercial organizations. In all, nineteen states reported over 50 active commercial bodies each, and eleven of these had over 100 each.

## TRADE BODY A POWER.

The commercial organization movement thus is shown to be not only very widespread, but also of considerable density. A group of 2,900 commercial bodies with over 440,000 members is a power to be reckoned with in both the actual and potential business growth of this country. And these figures do not include the agricultural bodies, nor do they include any commercial bodies in towns of less than 2,000 inhabitants.

Even more important than the mere numbers of these bodies is the spirit which is at work among them. The futility of simply passing resolutions was appreciated long ago. But not all of the bodies have worked out successful plans for practicalizing the efforts of these volunteers. Some have frothed away all or much of their power in the noisy exercise which has come to be known as "boosting." Others have come to grief on the rocks of local politics. And still others have undertaken large works, either beyond their power, or for which they were inadequately prepared. But many, indeed most of them, have worked out real constructive programmes which are making them take rank as among the practical, positive forces in the communities which they serve.

The transportation work of these bodies has been of immense value. The business men of some of the biggest commercial centers of the country no longer think of attempting to adjust individually their claims against the transportation companies. These are turned over to the "transportation bureau" or the "traffic bureau" (or whatever may be its local name) of the commercial body. And each settlement has back of it all the power of the "voluntary association."

## VARIED FORMS OF WORK.

The prevention of abuses has come to be an important part of commercial body work in many places. Fire prevention, fire protection, adjustment of relations with insurance companies, accident prevention and the introduction of safety appliances in factories represent a few of the lines of work undertaken.

Only one step farther, and the commercial body finds itself representing the interests of its members in a study of public health conditions. Sanitary surveys conducted by these bodies have brought down the death rate and made living safer and more comfortable, for a whole community. And this leads logically to a representation and protection of the best interests of the community in its charitable undertakings. In some places the whole system of care for the unfortunate and the protection of and against the improvident has been made over by the Chamber of Commerce or the body which does the same work under another name.

## COMMUNITY BUILDING.

Perhaps most interesting of all is the work done to build up communities. In some places this has taken the form of a bidding for factories at any cost. But in a growing number of cities the fact is being recognized that this may be a mis-

taken policy. And now we see one commercial body after another making a careful, cold-blooded industrial survey of its community and its whole surroundings and shaping up an industrial and commercial policy which is showing results for today, and will show results of the best kind generation-after-next.

All the agricultural possibilities of the commercial territory adjacent to the city are studied, and in some cases a plan of help and encouragement of a most practical character is being put to work.

The labor supply of one city in New York was investigated and it was found that few of the boys of the city were going into industrial work. Labor was coming in from outside and all the best young blood was going away, or was burying itself in clerkships. A vocational training expert was brought in, and the educational system of the whole city was reorganized so as to make it possible for boys who wanted to go into shops to do it, without fear of being hampered in their future growth. And this was done by the Chamber of Commerce.

Markets are examined and the merchants and manufacturers of various communities are being brought into touch with those for whose service they are doing business. Intensive commercial study by the Chamber of Commerce points the way and these communities are finding that two sales can be made to grow where one grew before by "voluntary association" for the "common good."

## EFFICIENT ORGANIZATION NEEDED.

Bodies which do such work as this need efficient organization. And so the very expansion of the organization's field of work puts a new strain on the organization itself. Willingness is one thing, energy is another very good thing. But the most willing and energetic organization will fail unless it utilizes all that human effort has devised for the betterment of commercial body work.

A young man who was asked whether he could play the violin replied: "I don't know, I never tried." Now he might have been ever so willing, and immoderately energetic but the probabilities are that if he ever did undertake to play the violin the results would not be very satisfactory until, in addition to all his native gifts, he had made a careful study of violin technique, and had done a good deal of practicing on his own account.

And that is just the case with the organization problems of commercial bodies. They call for technique, practice, adjustment and many other things which can be acquired by doing over and over and with a fixed intention of mastery, the work which is cut out.

## WHAT THE PROFESSION OFFERS.

And now we come back to our original questions. What does the secretarial profession offer? And how can training be secured?

The field for secretaries is not immense in point of size. But it bids fair never to be any smaller, and with over 2,900 bodies of varying size all clamoring for good men, new recruits are constantly being called for. But the field is growing in interest, in exactitude, and in importance even faster than it is growing in size.

To be sure, most of the 3,000 or more secretarial positions are now filled. But if anyone thinks they are all permanently filled let him ask some secretary. Men are constantly being promoted, or drawn off into other lines of work. And the clamor for men in the top positions is never still. There are some very able secretaries in the work today. Some of them are among the leading constructive forces in their entire sections of the country. In almost every state in the Union there will be found commercial body secretaries who personally, and in their official capacity are recognized as big men. And many of them are paid in money, and in recognition, well enough to keep them in the service. But there are not enough big men for all the big positions. And no man who has been "faithful over a few things" in his small secretarial field feels held down to those small things for the want of a higher work to do.

## STRONG RECRUITS NEEDED.

It is getting to be a serious problem to find new recruits of big enough capacity for growth, to go into this work at the bottom and respond satisfactorily to the successive higher calls which are made upon them. The newspapers have furnished some splendid material, and some good men have been drawn out of the professions, the law, teaching, even medicine and the ministry. It remains to be demonstrated whether conscientious preparation for this work can turn out a higher average of men than these

unconscious sources have produced. But at least it seems worth trying. Most of us believe in "born" doctors, and in "born" lawyers, and most of us believe even more eagerly in them after they have gone through a course of conscious training for their job. So, too, there are many born secretaries. But some of the best of them wish they had been specially trained for their jobs in addition to their natural gifts.

## COURSE OF STUDY OUTLINED.

These are the conditions which give interest to the recent announcement by the Harvard Graduate School of Business Administration that it will offer next term a special course of training for secretarial work in commercial bodies. The plan of training provides for a combination of existing courses with certain specially designed new courses of a highly specialized character. The program for the first year includes courses in commercial organization, industrial organization, accounting business law, business statistics, municipal government and a specially designed course in the work and methods of trade bodies. During the second year, there will be a course in business policy, together with courses in corporation finance, railroad rate-making, foreign trade, and a new full course in the problems of trade body management.

The work in the last named course, as well as that of the first-year course in the work and methods of trade bodies, is to be done in connection with actual committee work experience in the Boston Chamber of Commerce, and probably in those of some of the smaller Massachusetts cities. Thus after a student has completed his two years of work he will not only have had the very exacting business training embodied in a selection of the best courses from the existing school curriculum, but he will also have had the advantage of actual experience in the working out of committee problems under working conditions.

The two new specialized courses will be based on the experience records of some of the most successful commercial bodies in the country. In the first year course, for instance, a good deal of instruction will take the form of conferences and informal talks with some of the most successful secretaries in the country, several of whom have consented to come to Cambridge and meet with the class for the purpose of helping them solve the problems they are studying, by telling how like work has been done. Some idea of the subjects to be discussed in this course can be gathered from the following preliminary outline for the course.

## 1. Organization of trade bodies.

- (a) American organizations. Trading bodies. Non-trading bodies. The activities of American trade bodies. The possibilities for development of work and service.
- (b) European organizations. British, German, Belgian, French, Austrian, and others.
- (c) The federation movement.

## 2. Public work of commercial bodies

- (a) Supervision of trading. Inspection, ware-houses, vigilance work.
- (b) Fostering of city development. Commercial: commercial and industrial surveys, securing new industries, railway rate activity, internal transportation problems. Physical: city planning, civic betterment, sanitation, public health, charities. General: educational work, advertising, mediation in industrial troubles.
- (c) Other lines of activity.

## 3. Operation methods

Staff organization. Office administration. Staff relations with the members. The power of the organization. Enthusiasm, loyalty, team work. Securing full power from the organization. Directing the power of the organization. Conserving the power of the organization. Working formations. Publicity.

## 4. Committee work

Committee organization. Committee operation. Committee experience (practical work). Possibilities of committee work. Increasing the effectiveness of committee work.

It cannot be too strongly emphasized in closing, that the officers of the School have undertaken this work only after it was urged upon them from so many sides that it could no longer be postponed, and that it is no more than an attempt to provide conscientiously trained recruits for an exacting and difficult profession.



# Important Western Trip of the Directors

## Statement by President Wheeler

"The West has caught the spirit of the Chamber of Commerce of the United States, and has acknowledged its allegiance as perhaps no other section of the country has done in the brief span of the National Chamber's existence.

"The remarkable fact in connection with the trip lies not in the devotion of time or the mileage covered, but in fixing forever in the minds of Western business men their responsibility in supporting American business policies through the Chamber of Commerce of the United States; of causing them to see the necessity of taking their part in the direction of its affairs; and in the personal friendships formed between our party and their hosts, calculated to endure and to form a pathway for implicit confidence when East or West shall express the business needs of its section; and, in bringing to bear upon those needs or problems, the united efforts of all sections in their accomplishment.

### SUPPORT OF CHAMBER'S POLICIES.

"How else than by personal contact could the business men of the East and South become aware of the Western viewpoint upon the great economic problems which now confront the country, and which relate so vitally to the development and welfare of the western territory?

"Throughout the entire trip there has not been a single voice raised against the idea of creating a non-partisan tariff commission for the study of tariff schedules, cost of production, etc., the findings of this commission to be made the basis of future tariff revision, as against the methods with which we have so long been familiar and which the country seems absolutely convinced are not only improper but ineffective.

### SERVICE OF TARIFF COMMISSION.

"There is no thought in the minds of the business men of the West that a tariff commission should be created for the purpose of revising the tariff. They are perfectly aware of the fact that congressional action is the final step; that all tariff legislation must initiate with the ways and means committee of the House of Representatives, and be concurred in by the finance committee of the Senate; but the objection to old time methods lies in the fact that no congressional committee, no matter how patriotic or conscientious can keep pace with the constant changes in conditions affecting the production and distribution of our manufactures.

### COMMISSION AS FACT FINDER.

"They are aware that no tariff can be a stable tariff, and that it is absolutely necessary that a body devoted exclusively to the study of the relationship of our cost of production to that of other countries should be able to transmit to the authorities in Washington, which have to do with the final making of the tariff, those facts which are so important to an accurate decision, and which can only be gathered by patiently searching for all of the facts underlying American production; first, to put upon the people at large no burden of tariff taxation which they should not bear; second, to enable American manufacturers to maintain the high standard of wages now existing; and third, to enable our manufacturers through proper administration of the tariff, to compete in the world's markets against all other nations.

### INTEREST IN CURRENCY LEGISLATION.

"It was a great surprise to our party to find a deep interest prevalent

throughout the entire West in currency and banking legislation. The administration bill has been studied not alone by the bankers in the states visited, but by the business men as well, and they have come to possess very clear views with respect to the necessity for this legislation, and to some of the provisions which the bill must contain in order to be satisfactory to them.

"Naturally the question most discussed was that of federal versus banking control in the federal reserve board. While a strong element throughout the entire West expresses opposition to the creation of a federal reserve board upon which the bankers have not adequate representation, they would accept federal control of the board rather than see the legislation fail entirely.

### NEED OF ADVISORY COUNCIL.

"There is, however, an absolutely unanimous sentiment that the bill should create an advisory council chosen entirely by the member banks, made up exclusively of expert bankers, the executive officers of which council should be resident in Washington, and in direct contact with the federal reserve board, bringing to it that accurate knowledge of the commercial, agricultural and financial conditions of every reserve section, in order that the board may have adequate and accurate information upon which to base its conclusions.

### DETAILS OF ADMINISTRATION BILL.

"There is opposition to the original suggestion that after a given time all reserves should be carried either in cash, in the vaults of the banks, or on deposit with the reserve association, and there are many other details in the operation of the proposed system which the West would desire changed, but these are such as to be easily provided for in the bill, making its operation more generally applicable to all classes of banks in all parts of the country, and not in any way affecting any vital principle which the administration feels it necessary to uphold.

### CRITICISM OF CONSERVATION POLICY.

"In the addresses made to the members of our party by prominent men in all the so called arid states, particularly strong opposition has been expressed to certain phases of our present conservation policy. It is maintained, with some reason, that the withdrawal of all the public lands is not necessarily conservation, and that these states, now upon the very border of their developing period, must have access to the natural resources which they possess or their growth will be strangled to a very large degree, and their prosperity minimized if the present rigid provisions are adhered to.

### MODIFICATION OF POLICY IN ARID STATES.

"Conservation is everywhere in favor. The West is broad-minded with respect to the general policy. Forest conservation is acknowledged to be of prime importance; but the withdrawal of agricultural and mineral lands must be met in some way by a satisfactory modification of our present policy in order to satisfy the commercial and agricultural interests, especially in those states known as the arid states, a title which is not deserved and which will be found to be untrue, since a large part of their area is capable of production even greater than that of the states east of the Missouri river.

### VALUE OF PANAMA CANAL.

"Another development of the trip

is the attitude of all the states visited with respect to the benefits to be conferred upon them by the opening of the Panama canal. The coast cities are making the largest preparation by harbor development and by municipally owned docks to care for all the ocean traffic that could possibly come to their ports through the opening of this great waterway, and all are looking for an enormous increase in the volume of their commerce; not immediately upon the opening of the canal but constantly growing as the years pass.

### ADVANTAGES FROM INCREASED IMMIGRATION.

"The unusual feature, however, is the attitude of the interior states, which without a single exception anticipate their greatest benefit to come from an increased immigration as people from all parts of the world will be able to land on the Pacific coast and find their way into the interior with much less effort and much greater certainty than they have been able to do through the eastern sea ports.

"We have received also some new impressions relative to the attitude of the Western states toward the railroads of the country. The present proposition of the roads before the Interstate Commerce Commission to permit an increased rate seems not to be opposed by the people of the West as might be expected, for they are the people who will have to pay the increased tax.

### MEANS FOR RAILROAD DEVELOPMENT.

"The commercial organizations of the East and the Central West, which are likely to oppose this increase on the ground that it is their duty to stand between the ultimate consumer and the railroads in imposing this additional tax upon the ultimate consumer, are figuring in a measure without their host, for there is a strong general sentiment in the states we visited that railroad development is absolutely essential to their prosperity, that it cannot continue unless means are provided, and they are willing, if in the wisdom of the Interstate Commerce Commission it is believed that an increased rate is necessary, to stand for and pay this rate in order that railroad development may continue unhindered, and that new areas may be opened for settlement thereby.

### CLASS DIVISIONS DEPRECATED.

"Obviously in our tour we have come more generally in contact with the business men than with the working classes, but in spite of this opportunity has been offered to get a general opinion of the attitude of the people as a whole toward the business enterprises of the country, and the antagonism which it is claimed is so prevalent, by those who are making political capital out of an attempted class division, is rapidly giving way to a desire for cooperation and harmony in order that the industrial progress of the country may continue, and prosperity accrue not only to the working and agricultural classes, but in increased measure to the industries themselves.

### CHAMBER AS AID TO THE WEST.

"Summing up the value of the trip in its entirety, there is not a single question that has been presented to the directors for their consideration and herein named, in which the Chamber of Commerce of the United States may not be helpful to the western country in assisting in the solution of these problems, so essential to western development.

"Everywhere organizations that

were not formerly affiliated with the chamber have taken favorable action upon the matter of membership. The strength of the chamber has thus been infinitely increased, and undoubted benefit will accrue to all sections of the country through a better understanding as to the needs of the West, and a confidence that the East is interested in its development."

—Chicago Commerce.

### Mr. Fahey's Opinion

"By no other means would it have been possible to bring home to the business men of the West the work which the national chamber is doing and undertaking to do. Everywhere we were met in the spirit of most cordial co-operation, and the interest shown in the work and plans of the national organization was a great encouragement."

—John H. Fahey, Chairman Executive Committee.

### Minneapolis Memberships

At the First Annual Meeting in January of this year, the By-Laws of the Chamber of Commerce of the United States were amended, to permit the election of individual members from among the membership of sustaining organizations in good standing.

To date between seven and eight hundred such members have been duly elected by the directors, subsequent to satisfactory reference received from the organization in which each is in good standing. The most striking and rapid campaign for individual members, anywhere in the United States can properly be created to E. P. Wells, our director in Minneapolis. On July 26, Mr. Wells, declared to the other directors, just then completing their Western tour, that he had formulated plans for proper local support from Minneapolis.

On August 1st, Mr. Wells telegraphed President Wheeler that one hundred applications from individuals and corporations were in hand and asked that the other directors should be advised.

Mr. Wells' method was to send his printed communication to a carefully selected list inviting each into the National Chamber; then he followed up every one of these letters with a personal telephone call. He used the better part of two days in this way, with the gratifying result referred to.

The By-Law which admits individual members reads as follows:

### ARTICLE XII

#### INDIVIDUAL MEMBERSHIP

SECTION 1. Persons, firms or corporations who are members in good standing of any organization admitted to the Chamber shall be eligible for election to this body by the Board of Directors and shall be known as Individual Members. Applicants for such membership shall set forth the business of professional interests of the applicant, the name of the organization with which he is affiliated and such additional information as the Board of Directors may require.

SECTION 2. Individual members shall pay annual dues of \$25, which shall include subscription to the regular publications of the Chamber and such members may avail themselves of the facilities of the National Headquarters; they may attend all regular and special meetings of the Chamber and, subject to the rules of such meetings, shall have the privilege of the floor, but they shall not be entitled to vote except as duly accredited delegates of Organization Members. All questions submitted by mail to Organization Members shall also be sent to each Individual Member with the request that he file an opinion thereon with the affiliated organization of which he is a member.



## Important Western Trip of the Directors

### Statement by the General Secretary

On Sunday morning, July 27, with the arrival in Chicago of the train carrying the special cars of the Board of Directors of the Chamber of Commerce of the United States, the Western trip came to an official close and those of the party who were "in at the finish" were glad to be freed from the somewhat cramped quarters of the Vermont and Magnet which had served as their peripatetic home for the preceding three weeks and to take train to rejoin their families and resume the ordinary course of life.

But there was not one among them who had not thoroughly enjoyed the trip and was not enthusiastic over the results accomplished for the Chamber of Commerce of the United States of America. Undertaken solely from a sense of duty at considerable personal inconvenience and pecuniary loss, at a season when home or vacation resort present attractions that far outweigh the comforts of Pullman traveling across plains, deserts and mountains, with "one night stands" at the points visited, there was nevertheless a satisfaction in this trip and its accomplishments, which led every man to state on parting that he would not have been willing to forego it.

#### RESULTS OBTAINED.

To have carried the National Chamber to its Western members, to have demonstrated to them that it was not to be a local or sectional institution but one truly national, representative of and governed by the business sentiment in all sections, to have aroused an enthusiasm in the commercial organizations throughout the West for its purposes and ideals and a determination on their part to support and forward them were the big results in which the satisfaction lay. But added to this was the pleasure of the companionship of the party itself, the delight in the hospitality shown to the party by all the commercial organizations in the cities visited, the personal satisfaction in forming new friendships and cementing old ones with the business men of the West.

#### SPLENDID ORGANIZATIONS.

Everywhere there was cause for surprise at the strength, purpose and vigor of the commercial organizations in the Western territory which led to an even greater desire on the part of the Board, than that possessed on starting the trip, to ally these organizations closely with the National Chamber and to obtain in this way for its national purposes a part of this strength and determination, now devoted to local upbuilding. The members of the Board who were so fortunate as to be able to take part in this trip will not soon nor easily forget the courtesy and the hospitality shown to them by their hosts at all points along the route nor the information and enlightenment they received as to local conditions, business thought and purpose as a result of their visit.

A brief sketch of the trip from the time of starting from Chicago, July 5, to the banquet in San Francisco on Monday evening, July 14th, was printed in the last issue of THE NATION'S BUSINESS. The Directors left San Francisco Tuesday afternoon, July 15, after an interesting trip in the forenoon around the beautiful harbor with its immense possibilities of commercial development.

#### Portland

Arriving in Portland on Wednesday afternoon the party was taken on an automobile ride to the Columbia River returning to the beautifully situated Automobile Club for dinner. The following morning the party vis-

ited the plant of the Eastern and Western Lumber Company which was in full operation and then was taken to Linnton, returning by steamer to be entertained at luncheon at the Commercial Club. In the evening a largely attended banquet was held at the Oregon Hotel, Mr. A. H. Averill, a Director who had accompanied the party from Los Angeles, presiding as President of the Portland Chamber of Commerce. The speakers were Mr. W. D. Wheelwright of the Pacific Export Lumber Company, Portland, and Messrs. Wheeler, Fahey and Farquhar. With the close of the banquet the Directors took train for Tacoma.

#### Tacoma

In Tacoma on July 18, the party was given an opportunity to study the new development of the city and to visit the beautiful parks. A luncheon was held at the Commercial Club at which the chief topic of discussion was the so-called boycott maintained by San Francisco and other bay cities against finished lumber products from the Northwest, Mr. Charles Richardson presenting the subject from the point of view of the Tacoma Chamber. The speakers for the Directors were President Wheeler and Secretary Goodwin. Leaving at 3 P. M., the party made the trip to Seattle down Puget Sound by steamer, arriving in the midst of the annual carnival known as the Golden Potlatch to be immediately taken in charge by the representatives of the New Seattle Chamber of Commerce.

#### Seattle

Friday evening the Directors were entertained at dinner by the Directors of the Seattle Chamber. Afterwards they were taken to the Army and Navy ball. The following day was occupied by an automobile trip first around the city and then to the Country Club beautifully situated on the shore of the Sound, where luncheon was had and a restful afternoon spent. At night the party left for Spokane.

#### Spokane

Sundays were always gala days and this Sunday spent at Spokane was to be no exception. The detail of the arrangements made for the entertainment of the party could not have been worked out more carefully. Each member was provided with a complete schedule for the two days and a list of the members of the Spokane Chamber acting as hosts. Each member found awaiting him in the room assigned to him his mail accompanied by the latest issue of a newspaper from his home town, and flowers on the table presented by the Park Commission. Sunday afternoon was delightfully spent at the Country Club where in the evening an informal dinner was held.

Monday the party was taken to the rooms of the Chamber of Commerce where a largely attended luncheon was held at noon, President Charles Heberd of the Spokane Chamber presiding, and Messrs. Wheeler and Johnson speaking for the Directors. In the afternoon the party was taken by automobile to Hayden Lake beautifully situated among the hills, where after a visit to Mr. Clark's place, on the shore of the Lake, a banquet was held at the Bozanta Tavern. Taken by automobile to a nearby station the party boarded its cars late at night to proceed to Missoula.

#### Missoula

The visit to Missoula was a case of crowding a great deal into a short time. The train arrived Thursday morning so late that part of the program for entertainment had to be

omitted. Members of the Missoula Chamber took the Directors on a fast automobile trip in the fertile Bitter Root Valley, ending at Bonner, where an informal luncheon was held, at which the speakers were ex-Senator Dixon and Messrs. Wheeler and Philp. The party left by special train early in the afternoon, under the necessity of keeping its engagements in Helena that evening, but with regret that its stay in Missoula had necessarily been cut so short.

#### Helena

A profitable and highly enjoyable evening was spent in Helena. On arrival the party was taken by automobile to visit the State Capitol and thence over the new boulevard, with its remarkable view of the valley, to Broadwater, where a swim was indulged in by a majority of the party, returning in time for the dinner at the Commercial Club. This was a peculiarly attractive function on account of its informality, the Directors of the National Chamber being invited to take part at the regular monthly meeting of the Commercial Club. The banquet was served by the ladies of the Christian Church, and the music was particular cause for delight. The members of the visiting party were elected as honorary members of the Helena Commercial Club. President Hardy C. Pickett presided and both members of the Club and visiting Directors were speakers. Assurances that the Commercial Club would desire to become affiliated with the National Chamber were given before the end of the enjoyable evening. The party boarded its train to continue its journey East shortly after midnight.

#### Billings

Billings was reached on Wednesday morning, July 23, and the party was immediately taken for an automobile trip through the farming region. Return was made in time for luncheon tendered by the Billings Chamber of Commerce, at the Northern Hotel, and largely attended by both members of the Chamber and by delegates from commercial organizations in the neighborhood. After the speaking, in which Senator W. D. George and Messrs. Wheeler, Fahey, Farquhar and Miles took part, Mr. Selvidge, an Ex-President of the Billings Chamber, pointed out that Billings possessed the only Commercial Club in the whole State of Montana affiliated with the National Chamber, and urged upon the representatives from neighboring organizations that applications for membership should be made by them. The result was that representatives of Harden, Lewiston, Bridger, Laurel, Miles City, Bear Creek, Park City, Fromberg, Red Lodge, and Columbus arose in turn to pledge the favorable action of the organization that they represented. The afternoon was spent in another automobile trip and the visit closed with a reception at the Elks Club.

#### Fargo

On the way from Billings, Mont., to Fargo, N. Dak., it had not been possible to arrange for stops at Bismarck and Jamestown, in which the commercial Clubs are members of the Chamber. Delegates from these two cities boarded the train, however, for conferences with the Directors. Fargo was reached in the middle of the afternoon on Thursday, July 24th, and the party was immediately distributed in automobiles for a hasty trip through the rich farming regions surrounding the city. On their return, a dinner was held at the Commercial Club at which there was a large attendance, including a number of representatives from neighboring commercial organizations. Messrs. Wheeler and Philp spoke for the Board of Directors.

Leaving late that night for Minneapolis the party was accompanied by J. P. Hardy, Secretary of the Fargo Commercial Club.

#### Minneapolis

Minneapolis was reached on time early in the morning of July 25th, where the members of the party were taken in hand by their fellow Director, Mr. E. P. Wells, and his associates of the Civic and Commerce Association, and carried to the Minikahda Club for breakfast. Following this a visit was made to the Chamber of Commerce for a conference with the officers of that body and then to the flour mill of the Russel-Miller Milling Company. Luncheon at the Radisson Hotel was a largely attended affair, tendered by the Civic and Commerce Association, at which there was speaking by President Douglas A. Fiske and others of the Association, and Messrs. Wheeler and Johnson for the visiting Directors. In the afternoon the party was taken by special cars to Lake Minnetonka, and thence by steamer for a trip around the Lake, visiting on the way several beautiful places, where generous entertainment was provided. A banquet was held at the Lafayette Club on the Lake, where the party spent the night. A splendid spirit of co-operation with the National Chamber was here expressed and it is an item of great interest that immediately following the visit to Minneapolis, a campaign was started by Mr. Wells to secure one-hundred individual members for the National Chamber, in that city, which was actually accomplished within one week.

#### St. Paul

Saturday, July 26 was spent by the party in St. Paul as guests of the St. Paul Association of Commerce, which had laid out a fine program of entertainment on a day which is generally regarded by business men in that region as a half holiday. An automobile trip along the River and through the Parkways occupied the morning. Luncheon at the St. Paul Hotel brought out a large attendance. Among the speakers was Mr. James I. Hill, while President Wheeler and Mr. Fahey spoke for the visiting party. During the afternoon a final session of the Board of Directors, which had been holding meetings from time to time throughout the entire trip, was held, and at 7:00 P. M., the party boarded the cars for the last run of the trip to Chicago.

#### Directors Meeting

The Directors meeting which was held in San Francisco, July 14, was reported in the last issue of THE NATION'S BUSINESS. Subsequent to leaving San Francisco, the Directors held a meeting on the train en route to Portland, Oregon. It was voted that President Wheeler communicate to the President of the American Bar Association the substance of a statement prepared by Mr. J. N. Teal and referring to reform in court procedure with the hope that the Supreme Court of the United States may establish a complete system of practice for the law side of the federal courts as it has now done for the equity side.

#### FIRE WASTE.

At the session held Wednesday morning, July 16, it was voted that President Wheeler express to Mr. Powell Evans of Philadelphia, approval of the Board of Directors of the conference on fire waste to be held in Philadelphia in October, and that organization members of the Chamber be informed of the appointment of a Special Committee on Fire Waste, to the end that the subject may be taken



up locally. It was voted that the Special Committee on Fire Waste be made up of representatives from Philadelphia, Boston, Chicago, New York, and Cleveland, Ohio. It was the express request of the Directors that the Special Committee be asked to report a constructive program at the earliest opportunity.

During this session discussions of vital importance to the committee effectiveness of the National Chamber were held. They related to a selection of a general chairman of each Committee, whose influence shall be directed towards securing the prompt consideration by committee by the various groups having in charge the study of the different subjects. It was voted that it was the sense of the Board of Directors that the special efforts in committee work should be directed in the immediate future towards the following subjects: a, Permanent Tariff Commission; b, Banking and Currency; c, Proposed Amendments of the Sherman Act; d, Increased scope of the Department of Commerce.

On the train between Billings, Montana, and Fargo, North Dakota, the Directors again held a session dealing with the referendum which is to be sent out relative to the report of the Committee on Currency and Banking.

#### ANNUAL MEETING.

The final session of the Directors was held in St. Paul on July 26. The greater portion of this session was devoted to planning for the next annual meeting of the Chamber of Commerce of the United States, which is to be held in Washington, D. C., February 3, 4 and 5. No definite plans are yet ready for announcement. It is under consideration, however, to have the annual meeting center around the idea of promoting the vast possibilities of commerce at present almost latent in relation to South and Central America.

#### Six Months' Iron and Steel

The net earnings of the United States Steel Corporation for the second quarter of the year amounted to \$41,219,813. This was an increase of about \$6,800,000 over the previous quarter and a gain of \$16,000,000 over the corresponding three months of last year.

The results for the first half of the year compare thus:

	1913	1912
Net .....	\$75,646,614	\$42,929,239
Available for dividends ..	46,306,365	19,081,749
Surplus .....	20,988,965	6,235,651

A remarkable feature of the showing of the Steel Corporation is that a surplus of \$20,988,965 has been built up during the first half of the year, which compares with a deficit of \$6,235,651 at the end of the first half year in 1912.

#### PIG IRON.

The Bureau of Statistics of the American Iron & Steel Institute reports that in the first half of 1913 the pig-iron production reached a total of 16,488,602 long tons, which was an increase of 5.3% over the make for the second half of 1912, and 17.1% over the first half. It was by far the largest quantity ever reported for a similar period. Moreover, this production, added to that for the second half of 1912, makes a total of 32,143,265 tons, which exceeds by 2,391,402 tons the heaviest make ever recorded in 12 consecutive months. To go back to the most recent year of iron-trade depression, the half-year's production was greater than that of the entire year 1908 by 552,584 tons.—*Engineering and Mining Journal.*

#### The Tariff Bill

Debate proceeding in the Senate upon the tariff bill, paragraph by paragraph. It has extended through Schedule A (Chemicals, Oils, and Paints), Schedule B (Earthenware, and Glassware), Schedule C (Metals and Manufactures of) and Schedule D (Wood and Manufactures of).

In the schedules which have been considered amendments proposed by the Senate Committee on Finance, and indicated in Legislative Bulletin No. 14 (distributed to the members of the national chamber) at pages 135 to 148, have been adopted or, in a few cases, have been temporarily passed over; other amendments offered have been rejected.

### Excise Tax on Corporations

Preliminary figures compiled from the records of the Treasury Department as of June 30, 1913, indicate some marked gains in the assessments for the special excise tax on corporations.

The net gain in the number of corporations in the year will be about twenty thousand; for the number in connection with which returns were made in the year ending June 30, 1912 were 288,352. The returns for 1913 will approximate 310,000.

The gross gain in tax assessed in 1913 over 1912 was \$7,283,222.86. The following states showed a decline: Colorado, \$2,635.34; Hawaii, \$23,969.10 (explained by the readjustment of sugar interests); 6th Kentucky, \$3,236.97; 8th Kentucky, \$840.71; 5th New Jersey, \$14,600.35 (explained by the removal of corporations maintaining formal headquarters in the state); 1st New York, \$19,439.61 (explained by shifts of location into the 2nd New York); Oregon, \$6,830.57; Tennessee, \$13,301.95; 2nd Virginia, \$2,630.26; Wisconsin, \$72,512.93. The heaviest falling off is thus seen to be in Wisconsin, though the number of corporations in the state increased more than 1,000 during the fiscal year. The total decrease in all states was \$159,997.77, which deducted from the gross gain shows a net gain for the year of \$7,123,225.09.

#### NEW YORK'S GREAT INCREASE.

The greatest single gain for the year was in 2nd New York which showed an increase of \$1,207,608 over 1912. This gain included about \$500,000 back taxes arising from the slow process of computing the taxes of corporations whose records were burned in the Equitable Life Building.

The next greatest gain was 1st Illinois, \$886,341.

The Pittsburg District (23d Pennsylvania) showed a gain of \$629,842; while the Philadelphia District (1st Pennsylvania) showed a gain of \$613,705.

The collection districts showing a gain of \$200,000 to \$500,000 were the 1st California, Massachusetts, 1st Michigan and Minnesota.

The collection districts showing a gain of \$100,000 to \$200,000 were the 6th Indiana, Kansas, Maryland, 4th Michigan, 3rd New York (Bronx), 28th New York (Buffalo), 10th Ohio, 18th Ohio, and 3rd Texas.

The increase in corporations in 1910 over 1909 was slightly less than 4%; 1911 over 1910, slightly less than 6%; 1912 over 1911 slightly less than 7%; 1913 over 1912 slightly less than 7%.

The special Excise Tax on Corporations will disappear, in large part, in the more comprehensive Income Tax when passed by the present Extra Session of the Sixty-third Congress.

#### Express Rate Decision

Several years ago shippers at San Francisco and Minneapolis entered complaint with the Interstate Commerce Commission against express rates. Subsequently, petitions were filed on the same subject by 212 commercial organizations in 42 States. On June 8, 1912, the Commission made an important decision in the case, setting a date last autumn when the express companies could present arguments against rates, etc., tentatively proposed in the decision.

On August 4, the Commission made public its final decision in the case, and published the opinion and its appendices in an octavo volume 1,100 pages. In arriving at reasonable rates the Commission refused, as it has done before, to accept the contracts between the companies and the railroads as bases.

The express rates prescribed by the Commission for packages over 4 pounds to be carried for more than 200 miles and less than 3,000 miles are generally lower than existing rates by parcel post; for distances exceeding 3,000 miles the express rates and the rates by parcel post are practically the same.

The appendices of the decision, embodying the forms, practices, and rates which the express companies are ordered to put into effect on October 15, 1913, set out the rules for classification of express, the form of receipt which the companies must give, and the rates which are prescribed for all express stations in the country.

The decision and its appendices are sold by the Superintendent of Documents for \$1.50. (Opinion No. 2408.) The preliminary decision of June 8, 1912, is sold for 40 cents.

#### Public Health

The Bureau of Public Health has published the text of all municipal ordinances and rules regarding public health adopted between July 1 and December 31, 1911, in cities of the United States with a population of 10,000 or more. The compilation runs to 200 pages and is sold by the Superintendent of Documents for 15 cents.

### Ohio's Industrial Commission

The State of Ohio, by action of its last Legislature has created an Industrial Commission, and Governor Cox has appointed Wallace Yapple, M. B. Hammond, and T. J. Duffy, one for two years, one for four years, and one for six years.

The title of the Act is of national interest, as it indicates that the Industrial Commission will correlate a number of differing boards that had been legislatively created from time to time.

The wording of the title is as follows:

"AN ACT creating the industrial commission of Ohio, superseding the state liability board of awards, abolishing the departments of commissioner of labor statistics, chief inspector of mines, chief inspector of workshops and factories, chief examiner of steam engineers, board of boiler rules and state board of arbitration and conciliation, merging certain powers and duties of said departments in and transferring certain powers and duties of said departments to said industrial commission of Ohio, and granting such commission certain other powers."

Then follows the repeal of 47 sections of the General Code.

Each Commissioner receives an annual salary of five thousand dollars. The Act provides that the Commission shall be in continuous session and open for the transaction of business during the business hours of each day except Sundays and legal holidays. The sessions are to be open to the public.

The various boards and commissions superseded by the Industrial Commission are to have no further legal existence after the first of September, 1913, except that the heads of the various departments and boards shall within ten days after September 1st, submit to the Governor reports of their respective departments for the portion of the year 1913 during which they were in existence.

The Act as a whole covers 19 pages and fully details the routine under which the Industrial Commission is to operate and also the methods to be adopted in taking action against those employers who are supposed to have violated any of the industrial laws of the State of Ohio. A copy of the Act can be secured from the Secretary of State of Ohio at Columbus. It is "Amended Senate Bill No. 137."

#### Mother's Pensions

The State of New Jersey in April of this year passed "An Act to promote home life for dependent children." The first section of the act will give an idea of the general scope. "1. Any widow who is the mother of a child or children under the age of 16, and who is unable to support them and to maintain her home may present a petition for assistance to the Court of Common Pleas of the county wherein she resides."

On July 25 twenty-three widows and sixty-four children appeared before Judge Boyle in Camden, N. J., in the common pleas court pleading for pensions under the above act. This act allows mothers of one child \$9, two children \$14, and additional children \$4 each monthly. One of the applicants had six children. This is the first time since passage of the act that such pension has been made.

#### NATIONAL TREND.

In connection with country-wide discussion of the education and best development of the child has come within the past few years many definite steps for preserving to the child the benefits gained only from proper home influences. In the belief that separation of mother and child necessarily works to the detriment of the child's development, many states have enacted legislation that will enable mothers too poor to maintain their children, to keep them at home instead of placing them in various institutions. This is being done through a pension or allowance system.

Thirteen State Legislatures have passed these so-called "widows' pension" laws, the greater part of them within the last year. A number of cities have provided similar aid by municipal ordinances. New York State barely missed joining the movement within the last few weeks. The bill introduced by Assemblyman Levy passed the lower house triumphantly, but failed in the Senate during the hurried last days of the session. It, or a similar bill, will be brought up again before the next Legislature, when it will probably become a law. It is not unlikely, considering the rapid growth of the movement, that within two or three more years nearly every State in the Union will have decided that widowed and deserted mothers must have the help of the State, if necessary, to keep their homes intact.

#### INITIATED BY ILLINOIS.

Illinois is credited with the initiation in this country of this method of extending the helping hand. In that State the provision, which is a section of the juvenile law, was passed just two years ago, and went into operation July 1, 1911. California and Colorado soon followed her example. Since the first of this year ten more States—Washington, Utah, South

Dakota, Idaho, Minnesota, Iowa, Nebraska, Ohio, New Jersey, and Pennsylvania—have passed similar laws. In addition, Missouri has authorized Kansas City to adopt the system. Wisconsin without definite enactment, has been conducting a similar enterprise in a limited way, and in three other States city ordinances or the powers bestowed upon State boards have established therein the principle of widows' pensions. Similar laws are now being considered by seven other States.

#### Casualties on Railroads

The total number of casualties to persons on railroads in the United States for the year ending June 30, 1912, was 180,123. Of this number 10,585 represents the number of persons killed and 169,538 the number injured. Of the persons injured, 142,442 were employees; 16,386 passengers, and 10,710 persons other than employees and passengers.

An analysis of the figures for the year under review shows that of the number killed 3,635 were employees, 318 passengers, and 6,632 other persons (trespassing and not trespassing.)

Compared with the figures for 1911, the increase in the number of persons injured is startling. 19,379 more persons were injured in the year 1912 by the railroads in the United States than in the year 1911. 189 more persons were killed in 1912 than in 1911. It will be observed by considering the figures in this statement that more fatalities among those killed can be traced to the trespass evil than to any other cause. An important improvement in relation to the railroads of the United States would appear to be a stricter enforcement of all rules and laws against trespass.

In this matter the railroads are entitled to the sympathy and co-operation of all who in any way can influence the public to keep off the right of way. It is a form of practical conservation.

#### Sault Ste. Marie

While showing the various statistics, the commercial activities of the nation at deep sea ports, the time is appropriate for drawing attention to the enormous volume of lake commerce and the tonnage which during 1912 passed through the Sault Ste. Marie Canal. The figures are not yet available for 1913 as the season is not ended.

During 1912 the American canal was operated 237 days and the Canadian canal 240 days. The total amount of freight carried through these two canals in the season was 72,472,676 tons. The average number of vessels passing through the three lakes daily during the season was 95 or more than 3 an hour, day and night. The increase of 1912 over 1911 in the total freight traffic was 18,995,460 tons, or 36% gain in one year.

#### EAST BOUND FREIGHT.

From Lake Superior to:	
Lake Michigan .....	7,113,701 tons
Lake Huron .....	2,254,702 tons
Lake Erie .....	45,118,446 tons
Lake Ontario .....	890,838 tons

Total east bound ..... 55,377,687 tons

#### WEST BOUND FREIGHT.

To Lake Superior from:	
Lake Michigan .....	341,647 tons
Lake Huron .....	471,079 tons
Lake Erie .....	15,675,914 tons
Lake Ontario .....	606,349 tons

Total west bound .... 17,094,989 tons

Grand total of freight movements 72,472,676 tons.

The estimated value of the total freight passing through these canals is \$791,357,837. In the above total the chief items were 174,086,456 bushels of wheat, valued at \$167,993,430. Wheat, flour and grains other than wheat represented 33.17 per cent of the total value of freight carried. Iron ore carried during the year was 46,303,423 tons, valued at \$134,279,927. It represented 16.97 per cent of the total value of freight carried. The most valuable item was general merchandise, representing a tonnage of 1,664,783, valued at \$249,717,450 or about 30 per cent of the total value of freight. It is interesting to note the increases by decades as shown below:

TOTAL FREIGHT.	VALUE OF FREIGHT.
1892 .... 11,214,333 tons	\$135,117,267
1902 .... 35,916,146 tons	358,306,400
1912 .... 72,472,676 tons	791,357,837

FREIGHT CHARGES.	PER TON PER MILE.
\$12,072,850 .....	1.35 mills
26,566,189 .....	.89 mills
40,578,225 .....	.67 mills

During the 58 years that the Sault Ste. Marie Canal has been in commission, the yearly traffic has increased from a minimum of 14,503 tons in 1855 to a maximum of 72,472,676 tons in 1912 as shown above. Prior to 1855 the freight at Sault Ste. Marie was subjected to a trans-shipment one mile long.



# The Remarkable Growth of the Nation's Commerce

## Together with Port Analyses

The detailed figures given out on August 6th by the Department of Commerce show that the fiscal year ended June 30, 1913, was the banner year in the trade of the United States with foreign countries, the total trade exceeding \$4,275,000,000 and surpassing the total trade of the fiscal year 1912 by over \$421,000,000. Imports into the United States in the year exceeded \$1,812,000,000, and exports from this country exceeded \$2,465,000,000, making a balance of trade in our favor of over \$652,900,000. The imports surpassed those of the fiscal year 1912 by over \$159,700,000 and the exports were more than \$261,500,000 greater than those of last year.

Our exports of manufactured and partly manufactured articles in the fiscal year 1913, exceeded \$1,500,000,000 in value, and show an increase of more than \$168,000,000 over the preceding year.

As it follows that the increase of exports and imports is entirely dependent upon the ports of the United States, this opportunity is taken to draw attention to port conditions and port gains, using wherever possible, the figures as of June 30, 1913. In view, also, of the customs reorganization which went into effect July 1, 1913, a careful statistical statement has been prepared running back over two decades in the case of most ports and five decades in the case of New York City which fifty years ago occupied a preponderating relation to the country, a position which it still occupies.

### New York

The old lines of the customs district of the City of New York, heretofore included Jersey City and New York City. The new lines, under the Customs Reorganization in effect July 1, 1913, will also include Perth Amboy and Newark in New Jersey, and Albany, Patchogue and Greenport in New York State.

The additions to the New York Customs District will render future comparisons difficult. The transition moment is therefore the best one for considering the important place that the customs district of the City of New York has held in the customs history of the Nation.

The following tables have been prepared to show:

1. New York's Merchandise Exports, the increase and the percentages of increase by decades since 1862;
2. The Nation's Merchandise Exports, the increase and the percentages of increase by decades since 1862;
3. New York's percentage of the Nation's Exports by decades since 1862.

(1) NEW YORK'S MERCHANDISE EXPORTS.			
	Total	Increase	Percent of Increase.
1862	130,525,949		
1872	228,510,651	97,984,702	75
1882	344,503,775	115,993,124	50
1892	413,952,783	69,449,008	20
1902	490,361,695	76,408,912	18
1912	817,945,803	327,584,108	66
1913	928,617,060	110,671,247	13

The impressive features of the above table are the great growth in exports in the decade ending June 30, 1912, and the fact that in the year ending June 30, 1913 the growth over 1912 was more than 13%.

(2) THE NATION'S MERCHANDISE EXPORTS.			
	Total	Increase	Percent of Increase.
1862	179,644,024		
1872	428,487,131	248,843,107	138
1882	783,239,732	354,752,601	82
1892	1,015,732,011	232,492,279	29
1902	1,355,481,861	339,749,850	33
1912	2,170,319,828	814,838,067	60
1913	2,465,761,910	295,442,082	13

It is interesting to note in the above table that New York and the Nation make exactly the same percentage of gain in year ending June 30, 1913.

(3) NEW YORK'S PERCENTAGE OF THE NATION'S MERCHANDISE EXPORTS.			
1862	72%		
1872	53%		
1882	43%		
1892	40%		
1902	36%		
1912	37%		
1913	37%		

The following tables have been prepared to show:

1. New York's Merchandise Imports, the increase and the percentages of increase by decades since 1862;
2. The Nation's Merchandise Imports, the increase and the percentages of increase by decades since 1862;
3. New York's percentage of the Nation's Imports by decades since 1862.

(1) NEW YORK'S MERCHANDISE IMPORTS.			
	Total	Increase	Percent of Increase.
1862	130,525,949		
1872	416,162,512	285,636,563	211
1882	493,060,891	76,898,379	18
1892	536,538,112	43,477,221	8
1902	559,930,849	23,392,737	2
1912	975,744,320	415,813,471	74
1913	1,045,364,643	69,620,323	7

(2) THE NATION'S MERCHANDISE IMPORTS.			
	Total	Increase	Percent of Increase.
1862	189,356,677		
1872	626,595,077	437,238,400	230
1882	724,639,574	98,044,497	15
1892	827,402,462	102,762,888	14
1902	903,320,948	75,918,486	9
1912	1,653,264,934	749,943,986	83
1913	1,812,621,160	159,356,226	9

The remarkable activity in commerce in the decade ending June 30, 1912 again shows up in both the above tables.

(3) NEW YORK'S PERCENTAGE OF THE NATION'S MERCHANDISE IMPORTS.	
1862	68%
1872	66%
1882	68%
1892	64%
1902	61%
1912	52%
1913	57%

The closing table in this formal presentation of the important relation of New York to the Customs activities of the Nation sets forth the customs collections of the Nation, and of New York in the past twenty years.

CUSTOMS COLLECTIONS FOR 20 YEARS.		
	In New York	Total of United States.
1893	134,454,353	199,143,678
1894	85,576,111	129,558,892
1895	101,750,165	149,450,608
1896	106,666,185	157,013,506
1897	118,365,076	172,760,361
1898	160,424,617	145,438,385
1899	134,071,173	202,072,050
1900	150,153,068	229,360,771
1901	150,330,669	233,556,110
1902	165,606,071	251,453,155
1903	178,852,021	280,732,416
1904	168,677,030	258,181,130
1905	170,570,029	258,426,295
1906	192,985,952	293,910,396
1907	217,127,610	329,480,048
1908	184,235,337	282,582,895
1909	195,008,723	294,667,054
1910	214,686,318	326,561,683
1911	200,818,397	309,965,692
1912	194,752,639	304,899,366
	3,163,111,544	4,809,214,491

New York's Percentage of the nation's Customs Collections in 20 years—65 per cent.

### Galveston

The growth of Galveston in its relative importance as an export point has been one of the striking features in American commerce during the past 20 years, for not only has it shown an increase on its own total in each decade as will be seen by a study of the figures below, but it has risen from the 7th place in export rank held in 1892 to the 4th place in export rank in 1902, and to the second place in 1912. The statistical tables below show the export totals of the leading ports in 1892, 1902 and 1912.

	EXPORTS.	INCREASE.	P.C.OF INCREASE.
1892	\$35,386,256		
1902	96,722,066	\$61,335,810	173
1912	218,146,097	121,424,031	125

PORT RANK IN 1892.	
New York	\$413,952,783
New Orleans	131,252,873
Baltimore	98,850,197
Boston	87,175,636
Philadelphia	58,541,457
San Francisco	40,737,044
Galveston	35,386,256
Savannah	25,704,173

PORT RANK IN 1902.	
New York	\$490,361,695
New Orleans	134,486,863
Boston	102,404,304
Galveston	96,722,066
Baltimore	80,532,512
Philadelphia	80,383,403
Savannah	41,525,428
San Francisco	38,183,755

PORT RANK IN 1912.	
New York	\$817,945,803
Galveston	218,146,097
New Orleans	149,160,910
Savannah	104,286,025
Baltimore	92,210,877
Boston	69,692,171
Philadelphia	69,009,730
San Francisco	49,249,734

The enormous gain on the part of Galveston is traceable in large measure to cotton exports. During the twenty years there have been evidences that Galveston might come to assume a position of leadership in the export of cotton, but conditions have varied from time to time and prevented the great increase in this direction which nearness to the producing regions would appear to have justified.

In consequence of the fact that its chief export is a raw material the city at present in no way vies with its rival cities in population.

Concurrently with the betterment of the channel from the Gulf into Galveston Bay, there has been a rapid improvement of harbor facilities in Galveston, temporary docks being succeeded by those of permanent construction and the whole harbor protected from Gulf storms by its location back of Galveston Bay and from Bay storms by the use of dredged material from the channel. As a port, the facilities for loading and unloading and for the completion of a cargo at one dock place Galveston among the leaders of America.

Galveston does not yet show a commanding position in the matter of imports. The imports were in 1892 \$1,317,000. The figure was not exceeded until 1899 when the imports were \$2,921,266. The total for 1905 was \$4,992,361. In 1906 the total exceeded \$5,000,000; in 1907, \$7,000,000. In 1908 by reason of the fact of the newly created Sabine district, imports fell to \$5,693,609. In 1909 they declined to about \$3,300,000; in 1910 to about \$2,500,000. In 1911 imports increased to \$3,530,945 and in 1912 to \$4,309,758.

### New Orleans

In the ten year periods, 1892, 1902, and 1912, there has been on no occasion a falling off in the export totals of New Orleans. This will be seen by glancing at the figures below. The growth has been steady but not startling.

	EXPORTS.	INCREASE.	PERCENT OF INCREASE.
1892	\$131,252,873		
1902	134,486,863	3,233,990	2
1912	149,160,910	14,674,047	10
1913	169,910,491	20,749,581	14

The imports have also during the same period shown a steady growth and it will be seen that in the decade ending 1912, New Orleans, in common with the rest of the country, felt the remarkable growth in commerce; with this exception, that its proportion of the growth was much larger than that of New York and of several of the other leading cities of the nation.

	IMPORTS.	INCREASE.	PERCENT OF INCREASE.
1892	\$18,909,553		
1902	23,763,480	4,853,927	25
1912	75,089,887	51,326,407	216
1913	82,399,100	7,309,213	9

New Orleans has steadily climbed upward as a valuable point for customs collection. In 1892 the collections were \$1,472,300. With some fluctuations in the interval, collections had increased by 1902 to \$5,884,674. In 1903 the total jumped to over \$8,000,000. It stayed at this height in 1904 then fluctuated between \$5,000,000 and \$7,000,000. It had again reached the eight million figure by 1911. The collections for 1911 and 1912 were as follows, respectively, \$8,745,072 and \$8,844,559.

### LEADING IN LUMBER.

An Associated Press dispatch from New Orleans of August 1st, gives the lumber exports for the year from the four leading Gulf ports as follows:

	FEET.
New Orleans	367,053,000
Gulfport	331,900,000
Mobile	322,197,000
Pensacola	311,533,000

These are figures as compiled by the New Orleans Lumber Trade Journal.

A large proportion of the gain of New Orleans has been affected by the increasing commerce of the United States with South Central American and West Indian countries. An important part of its increase in imports has been due to the highly organized line of fruit steamers using New Orleans as a port of discharge. These fruit steamers have in turn offered facilities for export to the ports at which they load. This is indicated by the following table of exports:

COUNTRY.	1900.	1911.
British Honduras	\$244,247	\$1,266,320
Guatemala	58,343	826,746
Spanish Honduras	403,828	1,205,668
Nicaragua	936,825	904,837
Costa Rica	354,269	993,190
Panama		3,616,668
Mexico	505,044	3,836,534
Cuba	1,817,583	5,223,695
Total	\$4,410,139	\$17,909,658

### DOCK CONTROL FEATURES.

Students of port conditions and port efficiency are watching the New Orleans situation with great interest for it exemplifies at this moment possibly the most advanced form of public control of waterfront that can be found in the United States.

The municipal authorities control a belt railroad connecting all docks. The levee board controls the protection of the waterfront against high water while the docks themselves are under a state board whose authority extends to both sides of the Mississippi River. The possibilities of dock extension up and down both sides of the River and related to New Orleans as a port appear to be almost indefinite. Prior to this method of handling the port situation there had been much feeling on the part of shipping interests against the necessity which compelled them to move a ship from dock to dock in order to take on various elements of her cargo. To a limited extent this condition still prevails but the complete control of the waterfront by the authorities is expected in the next few years owing to the expiration of certain leases. The modern docks which are being put up by the dock board are being equipped with telephage and every element is being attended to that will assist in the prompt loading and unloading and distribution of cargoes.

### Savannah

Vigorous campaigning and close watchfulness of advantages have shown their marked effect on the export and import totals of Savannah during the past twenty years. It will now become the headquarters of the Georgia district and will hereafter include Brunswick, Darien and Atlanta. The figures below show export and import totals, increases and percentages of gain.

	EXPORTS.	INCREASE.	P.C.OF INCREASE.
1892	\$25,704,173		
1902	41,525,428	15,821,255	61
1912	104,286,925	62,761,497	151

  

	IMPORTS.	INCREASE.	P.C.OF INCREASE.
1892	\$301,904		
1902	571,682	\$269,778	89
1912	5,129,979	4,550,297	797

Savannah has only a moderate effect on the customs collections of the United States. At no time since 1886 has its total collections exceeded \$91,000.

### Baltimore

Baltimore showed during the fiscal year ending June 30, 1913, the effects not only of its well sustained campaign for channel depths but also of its improving railroad contact with the business of the West. The exports through Baltimore for the year were \$115,844,173, which is the highest total since the banner year of 1898 when the exports were \$118,845,580. The gain in exports for the year was \$23,809,296, which is the greatest gain ever made in a single year in the history of Baltimore.

In the direction of imports, Baltimore also showed during the year ending June 30, 1913 a remarkable rally, the total being the greatest since 1890 with the exception of the year 1907 when the total was \$37,774,305. The 1913 total was \$32,738,521 which when compared with the 1912 total, \$26,438,400, shows an increase for the year of \$6,300,121, an increase that has been exceeded only three times since 1890. 1891 showed an increase of more than seven million over 1890. 1900 showed an increase of over nine million over 1899. 1907 showed an increase of nearly eight million over 1906. The exports and imports by decades are shown below:

	EXPORTS.	IMPORTS.
1892	\$98,850,197	\$13,418,523
1902	80,532,512	22,825,281
1912	92,210,877	26,438,400

The duties collected at Baltimore have since 1890 never fallen below \$1,600,000. In 1903 \$5,169,330 was collected. The duties collected in 1913 were \$4,658,619, and each dollar was collected at a cost of about six and one-half cents.

The better railroad connections that have come for Baltimore during the year by the association of the Western Maryland with the New York Central system, will be supplemented by the proposed terminal changes of the Pennsylvania Railroad, which were set forth in May by President Rea, and involve an expenditure of \$10,000,000 for increased facilities.



## The Remarkable Growth of the Nation's Commerce—(Continued)

### Boston

Boston in 1912 was the second most productive city in duties collected. The collections made were \$23,211,247. New York is the only port that made greater collections during the year. Its total was \$194,752,639. In 1892 the same relative positions were held; the collections of Boston being second only to those of New York. The totals for that year were, Boston \$14,123,034 and New York \$117,787,839. In 1902 the figures for New York were \$163,606,071; Boston came second with \$20,692,042. Philadelphia was close to Boston with a total of \$18,964,233.

During the past twenty-one years Boston has been subjected to a number of fluctuations in export totals, as will be seen by the following figures:

EXPORTS.	
1892 .....	\$ 87,175,636
1902 .....	102,404,304
1912 .....	69,692,171
1913 .....	69,548,571

In imports it has shown a steady gain, particularly during the remarkable decade 1902-1912 when the commerce of the whole United States was subjected to a very marked increase. The import increases are shown below:

IMPORTS.	PERCENT OF INCREASE.	INCREASE.
1892 .. \$ 71,780,489		
1902 .. 71,921,436	140.947	slight
1912 .. 129,293,016	57.371	580 79
1913 .. 146,604,851	17.311	835 13

It will be seen by the last figure above that Boston has shared almost exactly in the import increases of the nation, as shown in the figures used in the statement regarding New York.

Under the customs reorganization the customs district of Boston and Charlestown which has existed since March 2, 1799, disappears and Boston becomes the headquarters for the Massachusetts district. It absorbs the following districts in connection with each of which is shown the date of its organization: Gloucester (1790), Salem and Beverley (1799), Barnstable (1799), Fall River (1833), New Bedford (1790), Springfield (1890). In addition it will take in Lynn, Provincetown, Vineyard Haven, Holyoke and Worcester.

### Philadelphia

As far back as 1886, Philadelphia ranked fifth in exports and fourth in imports. In 1892 it ranked fifth in exports and third in imports. In 1902 it was sixth in exports and third in imports; in 1912 it ranked seventh in exports and third in imports.

The export and import figures for the past twenty years are printed below. Philadelphia has been a large producer of customs revenue.

EXPORTS.	IMPORTS.	DUTIES.
1892 .....	\$8,541,457	\$60,006,791
1902 .....	80,383,403	47,750,342
1912 .....	69,069,730	85,038,185
1913 .....	76,060,867	93,207,678

The lowest collections in the last twenty years were in 1894 when the total was \$7,645,718. The highest total in the same period was reached in 1903, the total being \$22,583,419.

Great efforts are being made to improve port conditions in Philadelphia and to secure for the city the results of its natural advantages as a safe port. In the March number of The Nation's Business the plans of Philadelphia for port betterment were carefully detailed. Since that time further plans for docks have been undertaken with the expectation of equipping Philadelphia in the most modern manner for the rapid and safe handling of large cargoes. The new customs district of Philadelphia will, as it has been explained in the article regarding Wilmington, embrace portions of Pennsylvania, Delaware, and New Jersey. Quotation is included from a statement prepared by Wilfred H. Schoff, Secretary of the Philadelphia Commercial Museum.

#### SHIPPING ACTIVITY.

"Two pieces of evidence may be brought forward in proof that the time is ripe for such a movement (improved port facilities) as is under way. The first is in a lately published table of figures, compiled under direction of the harbor authorities, showing that in six average days, and only between the hours of 10 in the morning and 5 in the afternoon, 4,121 vessels passed the Chestnut Street wharf, aggregating a tonnage of 1,394,947. The other exhibit comes in the annual report of the collector of the port, who shows the 1912 exports as standing at \$75,494,627, and the imports at \$91,221,188; a total business then, of \$166,715,815, which, great in itself, is the more impressive when one knows that this means an increase within the twelvemonth of above \$5,000,000 in exports and an increase in imports of only a shade below \$11,000,000.

#### PREPARING FOR GROWTH.

Supporters of the improvement plans, as well as all who have looked carefully into the general subject of America's present commercial expansion, are pointing out that this \$16,000,000 growth is by no means an unlooked for phenomenon. Nor is

it only a reflection of a nation-wide development, some share of which would inevitably find its way in and out through Philadelphia's harbor. Rather it is the first fruits of the policy adopted and vigorously prosecuted by the city, a direct and gratifying result of the efforts already made to improve terminal facilities, and the greatest of encouragements in pushing yet further the task of making the port the natural channel of communication, between the outside world and the mighty industrial region of which Philadelphia is the metropolis."

### Puget Sound Ports

The most colossal changes in the import and export history of the United States have in the past two decades centered about Puget Sound. Customs districts that twenty years ago had no existence whatever now stand high both as shipping points for a great commerce and also as collectors of substantial contributions to the revenue of the United States.

The district around Puget Sound which has made so remarkable a record, through the customs reorganization undergoes as marked a transformation as any around the coast. The Puget Sound district which has existed since 1866 disappears in the new Washington district. From the Puget Sound district in 1895 both the Seattle and Tacoma districts were created. These districts also disappear in the new Washington district. This new comprehensive district takes in the following ports: Seattle, Aberdeen, Port Townsend, Anacortes, Bellingham, Blaine, Chopaka, Danville, Everett, Ferry, Friday Harbor, Laurier, Molson, Northport, Port Angeles, Roche Harbor, South Bend, Spokane, Sumas, Tacoma. The headquarters of the district will be Seattle, a city that had as recently as 1870 a population of only 1107. By the census of 1910, this city grew in forty years from the small figure noted above to 237,194.

The tables included in this article include the export and import increases and percentages of increase for the Puget Sound district, the Seattle district, and the Tacoma district for the past two decades.

#### Puget Sound

EXPORTS.	INCREASE.	P.C. OF INCREASE.
1892 .....	\$ 6,565,098	
1902 .....	33,788,821	\$27,222,823 414
1912 .....	63,745,572	29,956,751 88
IMPORTS.	INCREASE.	P.C. OF INCREASE.
1892 .....	\$ 572,637	
1902 .....	11,970,799	\$11,398,162 1990
1912 .....	39,011,250	27,040,451 225

#### Seattle

EXPORTS.	INCREASE.	P.C. OF INCREASE.
1895a .....	\$ 391,288	
1902 .....	11,422,207	\$11,030,919 2816
1912 .....	22,517,135	11,094,928 97
IMPORTS.	INCREASE.	P.C. OF INCREASE.
1895a .....	\$ 173,492	
1902 .....	8,119,460	\$ 7,945,968 4579
1912 .....	21,308,067	13,188,607 162

#### Tacoma

EXPORTS.	INCREASE.	P.C. OF INCREASE.
1895a .....	\$ 2,857,444	
1902 .....	17,516,942	\$14,659,498 509
1912 .....	24,753,514	7,236,572 41
IMPORTS.	INCREASE.	P.C. OF INCREASE.
1895a .....	\$ 1,816,517	
1902 .....	2,232,136	\$ 415,619 22
1912 .....	14,715,487	12,483,351 559

a.—Earlier in Puget Sound district.

In addition, as a means of clearly emphasizing the importance of these districts and their relation to the commerce of the country, a summary of their exports, imports and duties collected is included, covering the five years from 1908 to 1912.

#### FIVE YEARS IN PUGET SOUND.

Exports.....1908 to 1912	\$203,049,121
Imports....."	153,745,121
Duties....."	7,926,406

#### FIVE YEARS IN SEATTLE.

Exports.....1908 to 1912	\$77,871,146
Imports....."	84,694,382
Duties....."	5,711,054

#### FIVE YEARS IN TACOMA.

Exports.....1908 to 1912	\$77,893,404
Imports....."	46,510,828
Duties....."	1,666,211

#### COMBINED TOTALS 1908-1912.

Exports .....	\$358,813,671
Imports .....	284,959,331
Duties .....	15,303,671

The explanation of the rapid development shown is found in three directions: first in the rapidly increasing commerce of the Pacific; second, in the improved railroad connections to Puget Sound, and third; in the development of the productive areas lying immediately back from the Pacific Coast.

### San Francisco

San Francisco showed an increase in exports of over 30 per cent during the fiscal year ending June 30th. The percentage of increase in imports was about 5.

The export total for the year was \$64,881,697, and by comparison with the totals by decades since 1892, shows a steady growth for the port since 1902.

EXPORTS.	IMPORTS.
1892 .....	\$40,737,044
1902 .....	38,183,755
1912 .....	49,249,734
1913 .....	64,881,697

San Francisco is productive of heavy returns in customs collections, but the figures for 1912, showed a decline of 16 per cent from the figures for 1892.

#### DUTIES COLLECTED.

1892 .....	\$7,660,420
1902 .....	7,411,641
1912 .....	6,374,588

It is anticipated that the duties collected for 1913, will show an increase over 1912 in keeping with increase in imports.

### Mobile

Mobile will hereafter have an extended range as a customs district. The new district with Mobile as headquarters will include the customs house at Birmingham in Alabama, and Gulfport and Scranton in Mississippi.

The growth of Mobile in commercial importance has been noteworthy and is directly traceable to the expenditures of the nation's money in channel improvement. The close of the war left the city of Mobile with an available depth of only seven and one-half feet in the channel and the channel was furthermore obstructed with the logs that had been placed there to prevent the approach of Federal war vessels to the city. The depth has been increased gradually and the channel broadened until now from the city itself across Mobile Bay to deep-water extends a channel of twenty-three of more feet deep. The increases in commerce indicated by the figures that follow are directly traceable to the increases in channel depths.

EXPORTS.	INCREASE.	P.C. OF INCREASE.
1892 .. \$ 2,785,735		
1902 .. 12,503,558	\$9,717,823	348%
1912 .. 31,230,117	18,726,559	149%

IMPORTS.	INCREASE.	P.C. OF INCREASE.
1892 .. \$ 105,778		
1902 .. 3,714,371	\$3,548,593	2,140%
1912 .. 4,643,907	929,536	25%

It will be seen by comparing the totals of Mobile's exports with the figures of the leading cities shown in connection with the Port Arthur statement, that Mobile, left completely bottled up by the war between the states, now ranks as tenth in the nation. In keeping with the development of Mobile as a convenient port for imports, it will be seen that the collections have rendered the city a productive element in the nation's commercial history. 1892, \$9,157; 1902 \$16,193; 1912 \$85,857.

#### MOBILE'S POSITION.

The importance of Mobile rests upon three factors: first, it is the only port of the state of Alabama and is at the mouth of the most extended river system of the nation excepting that of the Mississippi and its tributaries; second, its increasing railroad connections have permitted the rapid distribution of perishable fruits to states east of the Mississippi; third, the region which this port serves is one undergoing very rapid increase in population.

### Wilmington (N. C.)

The commerce through the port of Wilmington has shown marked increase during the past year. The business as a whole amounted to \$67,853,344 for the year as compared with \$59,279,508 for the previous year. It should be explained, however, that these figures include coastwise imports. As a customs district Wilmington has shown a steady increase in the last twenty years, both in exports and in imports. The figures for 1913 are not included in this comparison as they are not yet available, with coastwise imports eliminated.

EXPORTS.	INCREASE.	P.C. OF INCREASE.
1892 .....	\$5,321,414	
1912 .....	28,705,448	17,603,277 158
1902 .....	11,102,171	\$5,780,757 168

IMPORTS.	INCREASE.	P.C. OF INCREASE.
1892 .....	\$181,077	
1902 .....	258,808	73,831 39.
1912 .....	3,090,703	2,831,895 1,094.

The exports for 1913 are specified as follows:

COMMODITY.	AMOUNT.	VALUE.
Cotton .....	464,099 bales	\$29,068,750
Crossties .....	61,807	246,141
Fish oil .....	730 barrels	13,919
Turpentine .....	5,020 "	203,400
Tar .....	2,543 "	203,400
Lumber veneer .....	8,766,297 feet	222,880
Lumber plain .....	24,623,974 "	492,480

### Pensacola

Pensacola received a set-back during the fiscal year ending June 30th. The high price of vessels chartered during the first part of the fiscal year, with lower priced cotton, decreased the cotton exports and the value of cotton, and the low price of naval stores during the last half of the year decreased the exports of naval stores. Exports have been lessened and shipments delayed because of conditions referred to.

#### ITEMS OF EXPORT.

Cotton .....	1911-12 .....	\$10,984,636.00
Cotton .....	1912-13 .....	7,887,732.00
Naval Stores .....	1911-12 .....	5,205,878.00
Naval Stores .....	1912-13 .....	3,077,301.00
Lumber .....	1911-12 .....	5,515,961.00
Lumber .....	1912-13 .....	6,042,467.00

A glance back over twenty-one years shows however the steadily increasing importance of Pensacola as a port. The percentages of increase altogether outweigh the small amounts spent on the bar and on waterfront improvement.

#### EXPORT FIGURES.

EXPORTS.	Per cent of gain.
1892 .....	\$ 2,982,246
1902 .....	14,466,928
1912 .....	23,886,645
1913 .....	19,810,303

#### IMPORT FIGURES.

IMPORTS.	Per cent of gain.
1892 .....	\$ 64,178
1902 .....	406,052
1912 .....	1,534,125
1913 .....	1,707,980

The headquarters for Pensacola will hereafter be in Jacksonville, a deputy collector of the Port being in charge at Pensacola. This has been a port since May 7, 1822.

### Port Arthur and Sabine

The Sabine district which was set off from the Galveston district in 1906 will under the customs reorganization retain its former limits. It will include Port Arthur and Sabine Pass. The headquarters of the district will be at Port Arthur; a readjustment that is in keeping with the preponderance of Port Arthur in the commerce of the district.

The rise of Port Arthur which is as distinctly a fiat port as any in the United States, has been one of the noteworthy happenings in the commercial development of the nation. The enormous totals of its exports are due in large part to exports of oil, crude and refined, and oil products. Each year sees a greater variety of exports and imports and a rapid increase in both. This is evidenced by the official figures:

EXPORTS.	IMPORTS.
1907 .....	\$ 2,783,689
1908 .....	12,964,644
1909 .....	17,578,899
1910 .....	20,215,873
1911 .....	23,981,681
1912 .....	22,064,280
1913 .....	25,254,482

The share of Sabine Pass in the totals for 1912 and 1913 were as follows:

EXPORTS.	IMPORTS.
1912 .....	\$2,637,539
1913 .....	3,931,682

As Port Arthur was made by canalizing around the rim of Lake Sabine and then dredging into the coastal prairies, it is interesting to note the place this fiat port and Sabine Pass have taken among the leading ocean-side ports of the nation. It comes 13th as will be seen by the following figures for the exports of 1912.

#### RANK IN EXPORTS.

New York .....	\$817,945,803
Galveston .....	218,146,097
New Orleans .....	149,160,910
Savannah .....	104,286,925
Baltimore .....	92,210,877
Boston and Charlestown .....	69,692,171
Philadelphia .....	69,069,730
Puget Sound .....	63,745,572
San Francisco .....	49,249,734
Mobile .....	31,230,117
Wilmington, N. C. ....	28,705,448
Pensacola .....	23,886,645
Sabine .....	22,964,280



## The Remarkable Growth of the Nation's Commerce—(Continued)

### Bangor

The customs district of Bangor, Maine, which was created in 1847 will now disappear in the Maine and New Hampshire district of which Portland, Maine will be the headquarters. Probably more ports are absorbed in this newly created district than in any of the nation. Twenty-six ports of varying degrees of importance will report to Portland. Bangor has been steadily increasing as an import point. Its export totals have been subject to severe fluctuations. Both of these facts will be seen by considering the figures below.

	EXPORTS.	IMPORTS.	DUTY.
1892	\$ 120,597	\$ 829,723	\$121,988
1902	4,248,430	1,153,038	182,928
1912	1,873,163	3,527,633	416,023

### Portland (Maine)

During the fiscal year just ended, this city had a slight increase in imports and a slight decrease in exports. The facts are shown in the following figures.

	IMPORTS.	EXPORTS.
1912	\$1,679,600	\$7,113,076
1913	1,815,000	6,932,487

The city of Portland is looking forward, however, with much confidence to increasing national and international importance, for during the year the trans-Atlantic passenger service using Portland made a marked increase. The passengers landed at the port during 1912 were 14,760. During 1913, the number increased to 26,623.

The imports through Portland have shown a gradual increase from \$844,929 in 1892 to \$1,194,899 in 1902. The figures for 1912 and 1913 are shown above.

In exports Portland showed a great increase in the decade 1892-1902. The figures for the first year were \$219,197 and for the latter year \$14,325,018. The figures for 1912-1913 are shown above.

### Salem

This port which is famed in literature through the association of Hawthorne with its history, and which has been a customs district since March 2, 1799, loses its identity under the customs reorganization. It becomes part of the Massachusetts district with headquarters in Boston. During the past year, there was a falling off in the vessels that arrived at Salem from 1,083 to 1,009. The heaviest shipments reaching Salem were lumber and oil. Over 25,000,000 gallons of the latter commodity were discharged during the year just ended. The commodities that showed an increase during the year were as follows: bituminous coal, iron pipe, oil, and railroad ties.

### Plymouth

Plymouth, Mass., which had only \$7,664 in foreign imports in the year ending June 30, 1912, experienced an extraordinary increase in imports in the year ending June 30, 1913. The total for this year is \$791,421.

This increase dates from March 13, 1913, when the first cargo of sisal fiber was received from Yucatan by the Plymouth Cordage Co., at their new pier in Plymouth. Previously their imports from Mexico and the Philippines have been entered and discharged at Boston, and credited to that port. Now their cargoes are landed and credited at Plymouth. July shows \$180,846.61 additional.

Plymouth will hereafter be in the Massachusetts District and report to Boston as headquarters. Up to the present it has been an individual customs district since 1799.

### New Bedford

The ancient port of New Bedford which became a customs district by Act of Congress of March 2, 1799, will hereafter appear only in the customs district of Massachusetts with headquarters at Boston. Both imports and exports have been moderate in quantity as far back as 1890. Since 1890 the total value of both imports and exports has never exceeded one million dollars. The figures for 1912 and 1913 appear below and show an increase in both imports and exports.

	EXPORTS.	IMPORTS.
1912	\$39,553	\$133,245
1913	58,806	198,875

### Fall River

This city which has had no direct exports for many years, still receives an important proportion of imports. Duties collected have ranged from \$74,031 in 1892 to \$209,983 in 1893. In 1899 duties fell below \$8,000. In the fiscal year ending June 30, 1912, the imports of Fall River were \$224,028 and for the fiscal year ending June 30, 1913, the figure reached \$261,494, the gain for the year being \$37,466. Fall River which became a port in 1833 will hereafter be included in the Massachusetts district with the port of Boston as headquarters.

### New Haven

New Haven, Connecticut, has been an important factor in the collection of duties. Collections have ranged from \$83,813 in 1892 to \$209,155 in 1903. The duties collected at New Haven in the last twenty-three years have never fallen below \$47,000. Imports in the same period have never exceeded \$750,000 in value and have fluctuated from that figure down to \$170,000. A comparison of export and import figures for the past two years appears below.

	IMPORTS.	EXPORTS.
1912	\$434,878	\$659,397
1913	476,973	842,637

The port of New Haven will hereafter report to the Connecticut district with Bridgeport as headquarters.

### Perth Amboy

As stated elsewhere, Perth Amboy, which was established as a customs district as long ago as 1799, will hereafter lose its identity in the New York customs district. This port for a long time has shown large totals both of imports and exports. From 1892 to date the exports of Perth Amboy have fallen below a million dollars only in the years from 1893 to 1898. The highest record in exports was made in 1911 when a total value of \$3,280,028 was reached. The tendency in imports has been steadily upward since 1892 when the value was \$76,707. The value of imports by 1902 had increased, in that year, to \$3,044,038. In 1903 the value was about four and a half million dollars; by 1910 the value of imports was seven and a half million dollars. The remarkable increase in values when comparing the years 1912 and 1913 is shown in the following figures.

	IMPORTS.	INCREASE.	P.C.OF INCREASE.
1912	\$8,067,060		
1913	11,838,615	\$3,769,555	46

### Wilmington (Del.)

The customs district of Delaware which hitherto included Wilmington, Lewes and Seaford and which was authorized in 1799, now disappears entirely. The Philadelphia district of which Philadelphia will be the headquarters will include Wilmington and Lewes in Delaware, Chester, Pa., Summer's Point, Thompson's Point, and Tuckerton in New Jersey. Of the three ports in Delaware, Wilmington is the most important. The Delaware district has occupied an important place in the customs history of the nation, but in foreign commerce has latterly been overshadowed by Philadelphia on Delaware Bay and by Baltimore on Chesapeake Bay.

In 1892 the export totals of the Delaware District were less than a half million dollars; in 1893 they had declined to \$84,000, but in 1894 and continuously from that time up through 1906 the exports of Delaware varied from \$3,293,057 to \$5,679,735. Since 1906 the exports have again seriously declined.

In the meantime, however, the domestic commerce of the port of Wilmington has been heavy; its value in 1911 having been \$68,074,051 and in 1912 \$69,965,131. The imports of the Delaware District have gradually risen with some fluctuations from 1892 up to the present, but it was not until 1912 that the total imports exceeded one million dollars. The imports by decades have been as follows.

	IMPORTS.
1892	\$ 219,670
1902	297,671
1912	1,935,110

Up to February of 1913, the imports of the Delaware District have risen to \$2,174,130.

The Delaware District has been a moderate producer of duties; the heaviest total having been reached in the year ending June 30, 1911. The figures for that year were \$49,352. Last year the duties collected were about one hundred dollars less. In the eight months of this year referred to above, the collections have already equalled those of last year.

The figures included above relative to the domestic commerce of Wilmington, by no means indicate the value of the tonnage in constant motion along the Delaware coast for in addition to Wilmington, there are a large number of ports of less importance than Lewes, but all contributing tonnage to commerce. New Castle, Delaware City, Odessa, Leipsic, Frederica, Milford, Milton, and Millsboro are all producers of water borne commerce.

### Norfolk

The customs reorganization will affect the cities around lower Chesapeake Bay very decidedly. Norfolk and Newport News will be identically regarded as the headquarters of the Virginia district and will hereafter include all the activities of

Richmond, Petersburg, Reedville, Chincoteague, and Cape Charles.

Norfolk and Portsmouth, Va., have been a customs district since 1799.

Foreign commerce through Norfolk has been heavy for many years past, but subject to great fluctuations. It would appear, however that the exports through Norfolk were now steadily gaining, as will be seen by comparing the figures of the last four years.

	EXPORTS.
1910	\$ 8,155,818
1911	9,628,932
1912	11,998,504
1913	16,863,546

The fluctuations in exports will be seen by comparing the exports by decades. 1892 \$13,065,837; 1902 \$7,088,335; 1912 \$11,998,504.

In the direction of imports, there has been a steady increase as will be seen below:

	IMPORTS.	INCREASE.	P.C.OF INCREASE.
1892	\$ 44,435		
1902	390,345	\$345,910	778%
1912	1,809,371	1,419,026	360%

Comparing the duties collected for the same decades, it is seen that Norfolk produced \$7,450 in 1892; \$7,212 in 1902; and \$42,847 in 1912.

The greatest values in exports through Norfolk are in the direction of coal, there having been shipped during the past year bunker and cargo coal to the value of \$6,063,216. The value of lumber shipped was \$4,483,326, and of cotton, \$4,117,514. In addition to foreign commerce, Norfolk is possibly next to New York in the amount of coastwise commerce reaching and leaving the port. The tonnage and value of this commerce is a matter of conjecture but runs into enormous figures.

### Newport News

This customs district which was renamed in 1888, disappears in the Virginia district, by the reorganization and will share with Norfolk the headquarters of the district. Its enormous development as a port is directly traceable to improved railroad connections. The completion of the Chesapeake and Ohio as a result of the vision and determination of C. P. Huntington, changed the character of Newport News entirely. Prior to 1888 Newport News was known as Yorktown, Va., and had been a customs district since 1799.

The port has been subjected to heavy fluctuations in export values. The greatest total of exports in its history was attained in 1900 when the value was \$34,758,323. It had risen to this figure from \$14,444,367 in 1892. In 1912 the export total for Newport News had declined to \$6,348,751. There has been, however, an increase in exports during the past year of more than 100 per cent, the value of exports for 1913 having been \$13,595,727. The import figures by decades show the following fluctuations.

	IMPORTS.
1892	\$ 190,114
1902	4,311,348
1912	1,964,586
1913	2,259,605

Newport News has been a steady producer of revenue. In 1903 it produced \$1,084,267. The total for 1912 was \$348,755.

### Charleston

The years 1906 to 1912 represent in the history of Charleston as a port a remarkable tendency toward recovery.

As long ago as 1892 the exports from Charleston amounted to \$16,718,386. Yet this was a drop of five million from the preceding year. By 1902 the exports of Charleston had dropped to \$5,857,364. By 1906 the recession had reached the negligible figure of \$661,285.

From that moment, the conviction forced in upon the men of Charleston relative to the need of watchfulness and of proper strategy relative to port development has shown its effect, in not merely a steady but is an extraordinary increase. The commerce figures from 1906 to 1912 are included to confirm this statement.

	EXPORTS	IMPORTS
1906	\$ 661,285	\$2,748,804
1907	1,142,466	3,528,730
1908	2,183,207	3,375,016
1909	4,044,237	3,630,796
1910	8,104,821	5,226,525
1911	8,950,359	6,213,973
1912	12,417,935	5,200,000

On the import side Charleston, since 1892, has shown a steady gain from \$896,681 in that year to \$1,590,078 in 1902, until in 1912 the total of \$5,200,000 has been reached. Charleston still fails to show up strongly relative to duties collected. The highest point reached in the last 24 years was in 1898 when \$105,352 was collected. The collections in 1912 were \$12,953, the lowest total since 1890.

Under the customs reorganization, Charleston which has hitherto been a customs district by itself will include Georgetown, S. C., and Beaufort, S. C.

### Brunswick

The port of Brunswick, Ga., which goes back to the early customs history of the Nation, having been authorized in 1799, ceases to be a customs district and will report hereafter in the Georgia district with Savannah as headquarters. It has had a long and honorable record as an export point. Its import totals have been comparatively unimportant. The export and import figures of the past two decades are as follows:

	EXPORTS.	GAIN.	P. C. OF GAIN.
1892	\$5,583,110		
1902	7,338,808	\$1,755,698	31
1912	19,889,838	12,551,030	171

Imports were as follows: 1892 \$13,742; 1902 \$33,097; 1912 \$76,618.

### Fernandina

The port of Fernandina was authorized by Act of Congress of March 3, 1857. Under the customs reorganization it disappears in the Florida district with headquarters at Jacksonville. This port, with its small population has a commercial importance quite out of proportion. This shows, however, chiefly in its exports which have reached large totals in recent years because of heavy phosphate shipments added to more general cargoes of cotton, lumber and naval stores. Its importance in exports can be best indicated by showing the yearly figures since 1892.

	EXPORTS SINCE 1892.
1892	\$1,178,701
1893	1,282,773
1894	1,571,982
1895	1,550,590
1896	1,427,073
1897	1,526,963
1898	2,426,877
1899	2,424,496
1900	2,588,808
1901	1,904,770
1902	3,111,202
1903	\$3,092,315
1904	7,301,135
1905	7,874,104
1906	6,630,585
1907	8,655,234
1908	8,659,118
1909	4,905,081
1910	5,899,509
1911	7,549,342
1912	6,529,640
1913	7,168,535

In the direction of imports, Fernandina does not make a strong showing. The value of imports in 1912 was \$48,044 and in 1913, \$75,541.

### Jacksonville

Jacksonville, under the customs reorganization, becomes the headquarters for the state of Florida. The following cities, many of which have been independent customs districts will hereafter report to Jacksonville: Tampa, Key West, Pensacola, Fernandina, Miami, St. Augustine, Boca Grande, Cedar Keys, Port Inglis, Apalachicola, Carrabelle, St. Andrews.

The above list of ports draws attention to the remarkably rapid port transitions going on in the State of Florida. For instance, Boca Grande was up to three years ago scarcely known. In the interval an enormous export business in phosphate has been developed and it is doubtful whether anywhere around the coast of the United States can be found a more up-to-date equipment for the rapid handling of all forms of cargo than can be loaded by belt transmission.

The port of St. Andrews which is also very little known nationally seems to be destined to increasing importance, particularly through the cutting of the canal now approaching completion between St. Andrews Bay and the Apalachicola River, thus making the port of St. Andrews an outlet for much of the commerce of south and central Georgia.

	EXPORTS.	IMPORTS.	DUTIES.
1892	\$ 104,934*	\$ 47,674	34.183*
1902	289,992*	79,152*	47.920*
1912	2,329,322	1,354,000	17.200

\*St. John's.

The port of Jacksonville has shown rapid growth in the past twenty years. This is almost entirely traceable to the campaign for improved navigation of the St. John's River. During 1913, Jacksonville, by an Act of the Legislature has undertaken the development of a municipal water front that is expected to increase still further the expeditious handling of commerce through the port.

### Miami

Miami, which hitherto was a sub-port of entry, under Key West, will hereafter report to Jacksonville, Florida. The past year has not been satisfactory to the port owing to the shoaling of the bar. The tonnage of commerce for the fiscal year ending June 30, 1912, was 148,862 tons, valued at \$3,850,523.

The needed dredging would immediately restore Miami's commercial activity, as it bears important relation to the freights into and out of the Everglades.



## The Remarkable Growth of the Nation's Commerce—(Continued)

### Key West

Key West appears to be recovering some of the prestige which it held in the early 90's. Its imports fell off between 1891 and 1899 from about one and a quarter millions dollars to a quarter of a million dollars. By 1902 imports had increased to \$472,604; by 1912 the figure of \$1,123,028 was reached, almost exactly the import total of the year 1890.

In exports there has also been considerable fluctuation with a definite tendency toward increase. This will be seen by considering the figures of the three decades 1892, 1902, 1912 given below:

	EXPORTS.
1892 .....	\$ 831,043
1902 .....	690,192
1912 .....	1,599,292

The importance of Key West as a port now seems to be assured in view of the fact that Key West was reached last year for the first time in its history by a railroad. The completion of the Florida East Coast Railroad, by a series of able engineering enterprises, carrying the line from key to key across the lower portion of Florida, at last connects Key West with the railroad systems of the United States.

The collections of duty at Key West have seemed out of proportion to the value of imports. This was due to the fact that the most important import was tobacco from Cuba, bearing a heavy rate of duty. The following table of imports and duty will show this peculiarity clearly. Key West will hereafter report to Jacksonville as headquarters of the Florida district. The Key West District has been in existence since 1822.

	IMPORTS.	DUTY.
1892 .....	\$ 834,906	\$751,419
1902 .....	472,604	384,666
1912 .....	1,123,028	566,693

### Tampa

The remarkable increase in importance which has taken place in the port of Tampa dates chiefly from the time of the Spanish War. The exports through Tampa in 1898 had sunk to less than one-half million dollars. In 1899 they had almost doubled. From 1900 to date no export figure for any year has sunk below \$1,000,000. On the contrary the figures have grown steadily year by year, with possibly one or two exceptions.

	IMPORT FIGURES.
1900 .....	\$1,457,255
1901 .....	1,321,419
1902 .....	1,782,740
1903 .....	1,639,302
1904 .....	1,930,560
1905 .....	1,798,798
1906 .....	2,740,803
1907 .....	3,269,560
1908 .....	3,776,609
1909 .....	4,061,677
1910 .....	4,395,972
1911 .....	5,636,606
1912 .....	4,409,640

Tampa's remarkable growth from the point of view of customs collections is shown by the fact that in 1881 the customs collections for the year amounted to only \$181,49. In 1882 the collections were only \$111.84 but from 1881 to 1913, inclusive, the collections as a whole have been \$26,650,982.

Of recent years phosphate tonnage has been the gauge for Tampa's outgoing commerce. From January 1, 1913, to June 30, 1913, 531,032 tons were shipped out of Tampa and of this amount 359,053 tons went to foreign ports. The total for the whole of last year was 963,440 tons so that the indications are that this will be a banner year in the phosphate tonnage leaving Tampa.

From the viewpoint of imports, Tampa, as shown by the statement regarding collections, is becoming steadily more important year by year. The imports in 1892 amounted to \$423,331. By 1902 they amounted to \$1,750,867. By 1912 the total of \$4,742,495 had been reached, or a gain of more than 1,000% over the import values of 1892. The most valuable influence upon Tampa's collections has been tobacco, the Spanish War having given an impulse to the manufacture of cigars in that city. Each year sees an increase in the cigar output.

Tampa will now disappear as a customs district. Its reports will hereafter go through Jacksonville, headquarters of the newly organized Florida district.

### Gulfport

Gulfport, Mississippi, which has hitherto been the leading port in the Pearl River customs district, now becomes subordinate to the Mobile customs district. Exports during the year fell off in rosin, pitch, shingles (declining from over one million to about five thousand), piling, ties and poles. Exports increased in gallons of turpentine, in staves, and in cross arms for telegraph poles.

There was an increase in lumber exports from 304,189,000 feet in 1912, to 331,900,000 feet in 1913. Lumber shipments from the beginning have been a great feature of Gulfport's exporting activity. The output has been enormous. In 1912 Gulfport led the entire Gulf of Mexico in lumber exports. The following quotation from the Lumber Trade Journal of August 1st, will serve to show the relation of lumber exports to the commercial activities of the Gulf.

"One of the principal features of interest in these figures relates to shipments from the four large ports of New Orleans, Mobile, Gulfport and Pensacola. On the combined measurement items of hewn timber, sawn timber and boards, deals and plank, it will be observed that New Orleans leads with 367,053,000 feet; Gulfport is second, with 331,900,000 feet; Mobile is third, with 322,197,000 feet, and Pensacola fourth, with 311,533,000 feet. This is a complete change of order from the preceding year, when the lead belonged to Gulfport, followed by Pensacola, New Orleans and Mobile. It is notable, however, that all show increases, that of New Orleans being 92,450,000 feet, Mobile 49,571,000 feet, Pensacola 23,585,000 feet, and Gulfport 6,709,000 feet. Increases are shown also by nearly all the southern ports, including Galveston, Norfolk, Newport-News and Baltimore."

From official records, it is not possible to make comparisons running back twenty years. The Pearl River district shows, however, the following increases in exports between 1892 and 1912.

	EXPORTS.	INCREASE.	PERCENT OF INCREASE.
1892 ....	\$ 1,077,707		
1902 ....	2,155,013	1,077,306	99
1912 ....	10,849,483	8,694,470	403

In the direction of imports, the increased arrival of creosote oil at Gulfport is noteworthy. In 1912, 535,000 gallons were received, and 1,596,000 gallons in 1913. This increase is due to the present tendency to extend the life of lumber by creosote treatment. Gulfport showed during the year a slight increase in mahogany logs. One small cargo of sisal grass was also received.

Gulfport is almost as much a fiat port as was Port Arthur in Texas. It is reached by a channel dredged originally by private means, for several miles across the shallow portion of Mississippi Sound.

### Corpus Christi

This growing city on the Texas coast is rapidly feeling the effect of intercoastal waterway improvements and of the improved outlets to the Gulf of Mexico, undertaken by the Government. This is indicated by the tonnage, both ways, of the past three years.

	TONNAGE IN AND OUT:
1911 .....	6,880 tons.
1912 .....	31,111 tons.
1913 .....	60,750 tons. (6 months).

Corpus Christi, which hitherto had been the headquarters of the district including Laredo and Aransas, will hereafter report to Laredo, which become headquarters for Brownsville, Rio Grande City, Corpus Christi, Roma and Santa Maria.

The whole lower coastal region of Texas is undergoing rapid commercial transformation through the cutting up of grazing lands into truck and general farms.

### San Diego

The value of freight traffic into and out of San Diego by water during the year 1912 was \$51,527,542. The exports and imports of San Diego subject to customs house supervision rose, in exports, from \$441,200 in 1892 to \$1,092,159 in 1912; and in imports from \$380,770 in 1892 to \$1,076,990 in 1912.

The customs' district of San Diego will hereafter appear in the Southern California customs district with Los Angeles as headquarters.

### Los Angeles

The Los Angeles harbor and the increasing commercial importance of Los Angeles have united in causing a steady growth in commerce. This will be seen by comparing the exports and imports by five year periods since 1897.

	EXPORTS.	IMPORTS.	COLLECTIONS.
1892 .....	\$ 42,535	\$308,517	\$91,378
1897 .....	7,499	504,028	82,344
1902 .....	45,000	676,615	208,248
1907 .....	.....	1,559,322	572,978
1912 .....	161,735	3,225,618	750,059

Los Angeles will, under the customs reorganization, be the headquarters for San Pedro (its port), San Diego, Calexico, Campo, and Tia Juana. This will cause the complete disappearance of the San Diego customs district which was created March 3, 1873.

### Portland (Oregon)

The customs district of Oregon was created in 1848; Southern Oregon in 1873, and Willamette, Oregon, in 1870. This

latter district became the district of Portland, Oregon, in 1911. The whole of Oregon hereafter will form one district, with Portland as its headquarters and Astoria, Empire and Newport, reporting hereafter to Portland.

For the purpose of this survey, the statistics of Willamette or Portland will be alone compared. They are as follows:

	EXPORTS.	IMPORTS.	DUTIES.
1892 .....	\$ 6,646,991	\$1,351,177	\$592,374
1902 .....	12,132,818	2,555,368	702,940
1912 .....	9,980,222	2,739,841	642,374

Within the past two years very decided steps have been taken to make great improvements in the shipping facilities of Portland. These were carefully outlined in the March issue of The Nation's Business. The Dock Commission has in charge the task of bringing dock facilities up to the highest standard of the present day. Furthermore, by a legislative act, the Port of Portland has been created as a municipal corporation. The object of this port as expressed in its charter is to promote the maritime shipping and commercial interests of the Port of Portland by the following means.

#### PORT OF PORTLAND.

First. To make and maintain in the Willamette and Columbia rivers between Portland and the sea, a channel that will accommodate the shipping of the port and to improve the harbor of Portland.

Second. To construct and operate a large sectional floating dry dock in Portland harbor.

Third. To establish and maintain an efficient towage and pilotage service between Portland and the Pacific Ocean.

Fourth. To sell coal and supplies to ships in the interest of the port.

For the carrying out of these purposes very broad powers have been conferred, principal among which are: Full control of the Willamette and Columbia rivers between Portland and the sea to the extent of the state's control; the right of eminent domain; the power to levy regular and special taxes upon the property within the district and to bond the district to provide funds for carrying on its operations. The Port of Portland district was created in 1891 in response to an imperative demand. Portland was confronted with conditions which, if not remedied, would prevent any growth of its shipping. At that time there was only 17 feet of low water at the shallowest places between Portland and the sea, so that it was practically impossible to bring vessels drawing over 17 feet to Portland.

Under the above powers the Port of Portland has dug and maintained the channel from Portland sixty-five miles down the river to Eureka, and the federal government has dug and maintained a channel from Eureka forty-nine miles to the sea. Under its broad powers the Port of Portland has constructed dry-docks and taken over the entire towage service between Portland and the sea.

Portland, Oregon, showed a heavy gain in exports for the year ending June 30. It about held its own in imports. Exports of wheat gained heavily. Exports of flour fell off; barley has apparently found a new Pacific outlet. Lumber has shown a slight increase.

	1912.	1913.
Wheat .....	\$5,875,539	\$6,920,370
Flour .....	3,074,093	2,209,184
Barley .....	.....	1,243,540
Lumber .....	960,233	1,712,047
Miscellaneous .....	34,498	449,566

### Bellingham

This city which was hitherto a sub-port of entry in the Puget Sound collection district will hereafter report to Seattle as headquarters of the Washington district. It would seem that as a preliminary to this readjustment, Bellingham figures had during the past year been credited in part to Seattle totals.

Says H. H. Matteson, Secretary of the Chamber of Commerce of Bellingham:

"By a change in the arrangements of the port of Puget Sound made about a year ago, Bellingham has been deprived of thousands of dollars of export and import showings. Millions of feet of lumber, for instance, sawed in Bellingham and loaded on its waterfront in ships owned by Bellingham mill companies have been entered as a Seattle export, and English tin bought by Bellingham salmon canneries and manufactured into cans in that city was also entered as a Seattle import. The exports for the year ending June 30, 1912, were \$474,879.00; imports \$172,763.00. In consequence of the situation above referred to the exports for the year ending June 30, 1913, are \$333,962.00; imports \$151,141.00. The decrease is misleading. In reality the exports for the last period have been about \$600,000.00 and imports nearly \$300,000.00."

### Duluth

At this port during the year ending June 30 imports decreased and exports increased as shown by the following figures:

	IMPORTS.	EXPORTS.
1912 .....	\$1,351,953	\$ 897,626
1913 .....	1,277,552	2,864,530

Exports during 1912 appear to have reached the low water mark at Duluth. The heaviest figure between 1890 and the present date was shown in \$5,358,468 worth of exports in 1908. Duluth exceeded four million dollars worth of exports in 1899, 1907, 1908, 1909 and 1910.

### Milwaukee

The collections on importations at Milwaukee during 1913 show an increase of \$5,410.34 over the year 1912. Milwaukee became a port of entry in 1850. In the last five years the duties collected have ranged between \$700,000 and \$800,000 per year.

### Chicago

The 1912 statistics show Chicago to be fourth among those cities that lead in the totals of customs collections. The rank is as follows:

New York .....	\$194,752,639
Boston and Charlestown .....	23,211,247
Philadelphia .....	19,152,021
Chicago .....	10,385,197
New Orleans .....	8,844,559
San Francisco .....	6,374,588
Baltimore .....	4,172,128

In 1892 the arrangement of leaders was as follows:

New York .....	\$117,787,830
Boston .....	14,123,034
Philadelphia .....	9,087,545
San Francisco .....	7,660,420
Chicago .....	6,390,892
Baltimore .....	3,016,790
New Orleans .....	1,472,300

Chicago imports reached the highest total in the history of the city in the year ending June 30, 1913. The figures since 1892 show Chicago to have kept pace with the country's commerce.

	IMPORT TOTALS.	INCREASE.	GAIN.
1892 .....	\$14,975,557		
1902 .....	16,860,702	1,885,145	12%
1912 .....	28,748,742	11,888,040	70%
1913 .....	32,537,279	3,788,537	13%

### Detroit

Both exports and imports at Detroit show a marked gain in the year ending June 30, 1913, as indicated below. The customs history of Detroit since 1892 has been very satisfactory.

	EXPORTS.	INCREASE.	PERCENT OF INCREASE.
1892 .....	\$ 6,799,518		
1902 .....	18,053,055	\$11,253,537	165
1912 .....	55,911,907	37,858,912	209
1913 .....	62,290,242	6,378,275	11

	IMPORTS.	INCREASE.	PERCENT OF INCREASE.
1892 .....	\$2,776,369		
1902 .....	3,409,097	\$ 692,728	24
1912 .....	7,774,662	4,305,565	124
1913 .....	9,153,669	1,379,007	18

The duties collected in Detroit in 1892 were a little over one-half million dollars. By 1902 the amount had increased to about one million and a third dollars; in 1912 the collections were \$2,121,299. The figures for 1913 are not yet available.

The impressive feature of the above statement relative to Detroit is that it refers exclusively to cargoes coming into and leaving the city and has no reference to the enormous Lake tonnage which passes through the Detroit river and makes the outlook from Detroit's waterfront one of extraordinary shipping activity.

### Erie

The total number of vessels reaching this port coastwise during the year was 887. The total number of foreign 270. The value of imports reaching the city both by rail and by water was during the year 1912, \$271,447. The value of exports leaving the city entirely by water during the year was \$516,169. The heaviest receipts by water during the year were 5,091,694 bushels of wheat, 1,427,958 barrels of flour and 547,067 tons of iron ore. The heaviest shipments from Erie by water were 542,839 tons of anthracite coal and 926,333 tons of bituminous coal.

### Oswego

The Oswego district which was one of the earliest customs districts organized, dating from March 2, 1799, will hereafter be absorbed in the newly organized Rochester district.

The city has had an honorable record in imports and exports, chiefly Canadian, and has at times produced approximately half a million dollars in duties annually. Its high record was in 1890 when collections were \$554,628. Its low record was \$19,439 in 1897. Since that date it has averaged about \$150,000 a year.

Its records by decades are as follows:

	EXPORTS.	IMPORTS.
1892 .....	\$1,719,008	\$2,475,386
1902 .....	1,846,468	647,080
1912 .....	2,282,150	971,901
1913 .....	2,783,032	888,747



# Protecting Our Food Supply

By CARL L. ALSBERG

Chief of U. S. Bureau of Chemistry, Department of Agriculture

## Futility of the Guarantee Label

The presence of the words "Guaranteed under the Food and Drugs Act" now used on the labels of food and drug products have undoubtedly misled many consumers into buying defective foods and have hindered rather than helped the Federal Government in its efforts to prevent the shipment of adulterated or misbranded articles, or food products containing material filthy, putrid, or otherwise unfit for human consumption.

Many individual consumers have a totally erroneous conception of the significance of these words on the label. The words "Guaranteed under the Food and Drugs Act" are taken to mean that the manufacturer has filed with the Department of Agriculture an analysis of his product and that the Department has checked up this analysis and found it to be correct, and finally that the Government specialists have decided that the article is properly manufactured, contains the proper ingredients and is altogether desirable as a food or drug. The truth is that the Government has never scrutinized from this point of view many products which bear this label. It stands to reason that the Government could not have analyzed each particular can bearing these words. Nor could the Government undertake to make successful analysis of each and every batch or run of a particular product made in every factory. This would mean that it would have to maintain an inspector on duty all the time in every concern which manufactures food or drugs.

### LABEL NOT OBLIGATORY.

The Food and Drugs Act does not require the manufacturer to use the words "Guaranteed under the Food and Drugs Act" or to print his serial number on his label. Several very large manufacturers and shippers of food products do not use the words "Guaranteed under the Food and Drugs Act" on their labels.

On the other hand, the fact that so many manufacturers of foods, although they are not required to print the guarantee legend are anxious to do it, is proof enough that they believe that there is some advantage to themselves in using it.

As long as the label does not misbrand the article and states the presence of substances like morphine, acetanilid, or certain preservatives on the label, the goods are free to enter interstate commerce without the words "Guaranteed under the Food and Drugs Act" and without the presence of a serial number.

The words "Guaranteed under the Food and Drugs Act" are really a guarantee of the manufacturer to relieve the customer of responsibility should the goods be proceeded against by the Government. Manufacturers who do not use the word "guaranteed" on the actual label of their products then protect their customers, the jobbers and retailers, by putting such a guarantee on the bill of lading of the interstate shipment.

In other words the guarantee is not made to the Government but is the same sort of guaranty that a hat store might make to a purchaser of a hat. If the hat was not as represented the guaranty would give the customer a chance to enter a civil suit to recover his money. Similarly, the guaranty legend put by manufacturers on their labels helps the customer to recover his money by civil process in the event that the Government should seize such goods while in his possession.

### STATE LINES RESPECTED.

Moreover under the Food and Drugs Act the Federal inspectors have power only to suggest seizures or other prosecution on goods after they have actually entered into interstate commerce. A manufacturer who makes goods in a certain state and sells them solely within the boundaries of that state cannot be prosecuted under the Food and Drugs Act. Again, while the Government might be able to seize so much of the manufacturer's product as entered interstate shipment, it could not touch the remainder of the same product which was made and sold wholly within state lines. Frequently manufacturers brand their whole run of goods with the same label containing the words "Guaranteed under the Food and Drugs Act" but so long as the product remains within the state lines where actually made the Government cannot seize it. The best that the Government authorities can do in such a case is to bring the misbranded, adulterated or filthy condition of the product to the attention

of the State Food Officials, who alone have jurisdiction over purely domestic state commerce.

### ACTIVE ANALYSIS WORK.

Over all food and drug products which enter into interstate commerce the United States Department of Agriculture maintains an active and vigorous supervision. From time to time samples of products bearing labels fully complying with the Food and Drugs Act, as far as their form is concerned, are taken and analyzed. The Government itself does not regard the presence of the words "Guaranteed under the Food and Drugs Act" as being in any way proof that the product is all that it should be. The Department of Agriculture, therefore, frequently takes samples of labeled products and if it finds evidence of misbranding, adulteration or other conditions contrary to the law, recommends that the Department of Justice seize the product or prosecute the manufacturer. Similarly, in the cases of carloads of bulk shipments which bear no definite label but which are shipped into interstate commerce, the Department takes samples and if it finds that the bulk of the product does not comply with the regulations and enforcement of the Food and Drugs Act, proceeds against the actual shipper or manufacturer just as strenuously as if the carload had a printed label and serial number. In other words, the use by the manufacturer of the words "Guaranteed under the Food and Drugs Act" does not make it possible for the Government to secure a heavier penalty than if the product did not bear this misleading legend.

To sum up, the words "Guaranteed under the Food and Drugs Act" do mislead the consumer into the belief that the Government guarantees the product to be all right. In the second place these words in no way enable the Federal authorities to secure a heavier penalty for misbranding, adulteration or sophistication. The part of the label that is most useful to the Government is the serial number which enables it to trace the product back to its legal manufacturer and bring action against him in his place of legal residence. This is particularly convenient in the case of corporations organized under State law.

## The Lack of Standards

That fully effective State and Federal cooperation makes necessary a marked degree of uniformity in food and drug laws in all the States, I need scarcely point out. There are many instances where the incongruities of conflicting State statutes in several neighboring States have seriously impeded manufacturing interests of those States. Add to these several differing State statutes the Federal restriction in interstate commerce, and we find the manufacturer frequently under the necessity of preparing or labeling his product differently for shipment into each of the several States and for sale in his own home State.

It certainly would seem possible for the States and the United States to agree on a set of requirements that would be stringent enough to secure pure food and drugs, and yet entirely just to the producers and flexible enough for the peculiar conditions in different geographical sections. This does not necessarily mean that each State must adopt identical statutes, as many States will probably need additional regulations covering peculiar products. But at least these statutes could be fully inter-sustaining and free from contradictory provisions. One result of such uniformity would be to relieve the several States from duplication of costly analyses. If the Federal laws could impose the same restrictions as the States, proceedings in interstate commerce might well save the State departments the very costly duplication of legal procedure in territories where Federal seizure had been made and penalty secured by enforcement of the Federal law. It probably will be some time before the States have agreed among themselves as to food and drug standards, but the matter is so important that it should be carefully considered at this time.

## Denaturing

The Food and Drugs Act and the other Federal regulations do not at present provide for the denaturing of domestic food substances unfit for food which the shipper declares to be designed for use wholly in the arts. For example, eggs unfit for human consumption are frequently shipped with the declaration that they are to be used in tanning leather, a purpose for which such eggs are particularly valuable. Frequently oils, or other food substances unfit for human food are shipped with the

declaration that they are to be used for soap making, or for the manufacture of lubricants or axle grease. There is, however, no effective guaranty that the recipient of these defective food substances may not work them over and convert them improperly to food use. It is difficult to detect such conversion of this material as it involves the actual presence of an inspector at the factories of the consignee. To act, the federal authorities must be able actually to prove that such substances which entered interstate commerce have been converted into food use, which means that inspectors must be present over a long period of manufacture. If the law permitted the denaturing of such food by the addition of a coloring matter or other substance it would make their conversion into food of good appearance impossible without at all lessening their value for use in the arts.

### DENATURING IMPORTS.

By an arrangement with the Secretary of the Treasury, the Department of Agriculture has been enabled to issue an order requiring that all imported substances unfit for food which are offered for entry at the several ports of the United States may be refused admission to the country unless they are denatured, so that their conversion into actual food will be made impossible. This is hoped to be an effective check on the practice of some of the importers who have entered substances unfit for human food that were labeled "for technical purposes" and then have used the product for the manufacture of food. In certain cases exception is made where no method of denaturing, without interfering with the value of the product in the arts, has been discovered. In these cases the product must be clearly labeled "not for food or drug purposes" and in addition must contain an accurate description of the product, such as "gelatine containing arsenic" or "wormy nutmeg."

### DENATURING PREVENTS WASTE.

There is no question that to prevent all shipment of food products unfit for food but useful in the arts would be to cause a tremendous waste of valuable material. If decomposed eggs could not be sold at all for tanning, the egg shipper would have to add this total loss to the price of food eggs and the leather manufacturer would be at a serious disadvantage in tanning certain kinds of leather. Similarly, various grains, deteriorated so as to be unfit for human consumption, are still excellent stock food. The addition of a little harmless coloring matter to such grain would prevent its use for human food and not lessen its value as stock feed. On the other hand, by denaturing all domestic products permitted under the same conditions as now applied to imported products unfit for human food waste would be avoided, the needs of the workers in the arts fully met and at the same time the public would be protected from the unscrupulous manufacturer who turns these defective substances into a food which looks all right but which probably is dangerous or at least of doubtful nutritive value.

## Attacking Hog Cholera

Hog cholera has for many years been a scourge of the hog-raising industry, causing heavier direct losses than any other animal disease in this country. The losses for last year are estimated at \$60,000,000.

Under a special appropriation of \$75,000 made by Congress "for demonstrating the best method of preventing and eradicating hog cholera," the United States Department of Agriculture has undertaken practical experiments in combating this disease. The appropriation became available July 1, and work will be begun first in Dallas County, Iowa, and will be taken up later in Indiana, and in one or two other States. In Iowa the work will be done in cooperation with the State Veterinarian and the Iowa State College.

A few years ago the Bureau of Animal Industry of the Department of Agriculture, after years of experimentation, developed a serum which has been demonstrated by repeated tests to be very effective in preventing hog cholera. The Bureau of Animal Industry will prepare and apply the serum in Dallas County and will undertake to control each outbreak of hog cholera existing in the county at the time the work begins, and also such subsequent outbreaks as may arise during the year. The serum treatment is preventive rather than curative, and will be administered to hogs on infected farms and on neighboring farms with a view to checking and preventing the spread of the infection.

## Canners' New Laboratory

In view of the general interest of the public in canned foods and the increasing reliance placed upon such prepared articles by the average housekeeper, Dr. W. D. Bigelow, for twenty-one years connected with the Bureau of Chemistry of the Department of Agriculture at Washington, has been requested to prepare a statement setting forth the motives that have prompted the National Canners' Association to establish a laboratory in Washington. Dr. Bigelow's statement which will have interest throughout the trade as well as in households, follows:

"The last few years have seen a marked change in attitude of the various canners of the country toward each other. Many methods and practices which were formerly regarded as trade secrets have been found to be common knowledge among the canners and the spirit of co-operation hitherto unknown now characterizes the industry. Until recently their methods were largely rule of thumb and were often the result of either accident or experience and only partly understood. For instance, the proper time and temperature for processing various kinds of canned goods may not be entirely understood. The work of the Association has shown that spinach, packed tightly and with a good exhaust, is a superior article to spinach that is loosely packed and the can only partially filled. In many cases the proper amount of sugar to be added to various kinds of food has not been defined, and it is believed that collaborated experimental work may result in different classified information regarding the varying amounts of sugar on the flavor of different fruits.

### MAKING KNOWLEDGE AVAILABLE.

The temperature and time of packing may also be of important consideration in the processing of such products as hominy, where excessive heat may result in indirectly blackening an occasional grain. While this does not injure the quality of the product, it damages its appearance to such an extent as to interfere seriously with its sale, and the exact definition of the conditions causing this blackening is of great importance. Incidentally, the laboratory may be able to be of considerable value in collecting and making available to canners generally, the results of the great amount of scientific and technical work done from time to time in various laboratories and experiment stations but which are not so published as to be available to the industry in general.

Three years ago because of some of the requirements of the Food and Drugs Act a research committee was appointed by the National Canner's Association for the purpose of bringing modern scientific thought to bear on the methods and problems of the canners. The work of this committee demonstrated to the active members of the Association that material progress could be made if scientific men with properly equipped laboratories were to give their entire attention to the needs of the industry. During the last year, a research laboratory has been organized for the purpose of studying the broad questions of the National Canners' Association.

### SCOPE UNDECIDED.

The exact field to be covered by the laboratory has not been decided upon. The matter is left to the research committee appointed by the President. This committee has full authority to determine the specific questions to which the laboratory shall give attention. The manner of handling the questions and the entire conduct of the experimental work are in the hands of the laboratory. Also, as previously stated, this laboratory is established and will be conducted for the purpose of investigating questions of interest to the National Canners' Association and hence to the canning industry. It is also intended that one branch of the laboratory shall be available to individual members of the Association to study their special problems. This work will be done on a commercial basis and will be self-supporting. The laboratory will be in charge of Dr. A. W. Bitting, a well-known bacteriologist and cannery expert, and myself."

## Sugar Figures

Figures indicate that the United States is clearly at the head of the list of sugar-consuming countries, the figures of the current year suggesting a consumption of more than 8 billion pounds while the latest available figures indicate a consumption in India of about 6 billion pounds, in Great Britain over 3½ billion, Russia 3 billion, and Germany 2½ billion pounds. Speaking in very round terms, it may be said that foreign countries supply approximately one-half of the sugar consumed in the United States, our own islands about one-fourth, and our own fields about one-fourth. Cuba supplies nine-tenths of that from abroad; Hawaii, about one-half of that from our islands, and beets, nearly two-thirds of that produced at home.



# Announcements of Important Future Meetings

Covering Many Constructive Lines of Endeavor

## Fire Waste in America

The National Convention on Fire Waste, to be held in Philadelphia, under the auspices of the city, October 13th to 18th, are taking shape under the direction of Mr. Powell Evans, Chairman of the Philadelphia Fire Prevention Commission. This convention was decided upon after a meeting in March of the National Fire Protection Association, at which time startling facts were disclosed concerning the cause of fires and the damage done by them in this country, with valuable suggestions on how to reduce the waste caused by conflagration.

Invitations to attend have been extended to fire chiefs from every city in the United States, as well as city officials, representatives of fire insurance companies and everyone interested in the subject.

Proper Federal officials concerned in economic problems have been urged to attend, and the whole subject of arson will be considered as well as annual occupancy licenses of buildings.

The proposal of the consolidation of all inspection agencies of cities into a central inspection agency will also be discussed, together with the best method of public education on the subject.

Enthusiastic support of the movement has been offered by the National Board of Fire Underwriters, the National Fire Protection Association and a number of underwriting boards and insurance companies. A number of Governors of States have expressed their intentions either to be present or to send personal representatives.

In a letter addressed to the Chamber of Commerce of the United States, Mr. Powell Evans, Chairman of the Philadelphia Fire Prevention Commission, points out that the business interests represented in commercial organizations must become more definitely aroused to the whole subject of fire loss. He shows that the total buyers of insurance in the country include all business men and states that "the very purpose of this Congress this Fall is to bring in the three great interests—business men (the buyers of insurance) at one end, insurance men (the sellers of insurance) at the other end, and the State and municipal governments, who represent the agency that should supply minimum requirements relative to the whole matter."

## Mine Safety

The annual meeting of the American Mine Safety Association composed of leading coal and metal mine operators, mining engineers, mine-safety engineers, and mine surgeons will be held in Pittsburgh, Pa., September 22-24. This association which held its first meeting a year ago has for its purpose a reduction of the number of accidents in the mines and quarries (3,602 in the year 1911) and the alleviation of the more than 60,000 men who are injured each year. This second meeting which has been called by Mr. H. M. Wilson of the Bureau of Mines, Chairman of the Executive Committee of the Association, promises to take up and discuss a number of the problems that have arisen in both the rescue and first-aid work. The members of the association declare that greater progress can be made in saving life and in reducing the seriousness of injuries by the adoption of proposed standard methods.

## Conservation Congress

The National Conservation Congress will be held in Washington November 18-20. This decision brings about a return to first principles as far as concerns a meeting place for the Congress. It was in Washington that Conservation interests held the historical conference of governors out of which the Conservation Congress ultimately grew. This conference was held at the White House in May 1908. It served to crystallize public sentiment on the question of conserving natural resources in a way that had never before been accomplished.

## American Road Congress

The American Road Congress will be held in Detroit from September 29 to October 4. The Congress represents practically the entire organized road movement of America, and although held under the auspices of the American Highway Association and the American Automobile Association, it is officially participated in by more than 100 organizations, including the National Grange, the National Old Trails Road Association, the Travelers Protective Association, various State Good Roads Associations, and the State Highway Departments of the various States.

## Vocational Education

The seventh Annual Convention of the National Society for the Promotion of Industrial Education will be held in the city of Grand Rapids, Mich., October 23rd, 24th and 25th. There will be a joint meeting during the week between the National Vocational Guidance Association and the National Society.

Sunday, October 19th, will be given over in all the churches in Grand Rapids to Vocational Direction and Vocational Training. Prominent speakers who are engaged in either one or the other of these movements, will occupy the pulpits morning and evening. During the week which follows, the Chamber of Commerce of Grand Rapids and the Woman's Club will give much attention to these subjects.

The National Vocational Guidance Association will hold its separate meetings October 21st, 22nd and 23rd, followed by the sessions of the National Society for Industrial Education. A joint meeting of the two organizations will be held on Thursday night, October 23rd. Secretary Redfield of the Department of Commerce, who is President of the National Society for Industrial Education, President Harry A. Wheeler of the Chamber of Commerce of the United States, Hon. William B. Wilson, Secretary of Labor, Gov. Ferris of the State of Michigan, will be the speakers, discussing from their varying viewpoints the need and the possibilities of vocational guidance and vocational education.

### SUBJECTS FOR DISCUSSION.

The program for the sessions of the National Vocational Guidance Association is not yet completed. That of the National Society for Industrial Education will include, among others, such topics as those given below:—

The use of the short unit course in evening industrial schools;

How to make a survey of a city for purposes of vocational education;

Part-time education for workers in unskilled industries;

Part-time education for workers in industries of a large city;

Part-time education for workers in industries in small cities;

The certification and training of teachers for industrial education.

It is hoped to have one session of the National Society under the auspices of the Chamber of Commerce of the United States. It is expected that President Wheeler will be present on Thursday night, October 23rd, and remain over on Friday to preside at this session. At this session, long speeches are to be avoided and a round table discussion carried on on such topics as these:—

What different Chambers of Commerce have done for vocational education;

The need of commercial education for our domestic and foreign commerce;

How the Chamber of Commerce of the United States and the National Society for Industrial Education may co-operate in the movement for practical education.

The meeting will be held at Grand Rapids under the auspices of the Chamber of Commerce. The intelligence and enthusiasm with which this body has taken hold of the local arrangements promise to make it the largest and most profitable meeting yet held in the history of the National Society.

C. A. PROSSER, Secretary,  
National Society for the  
Promotion of Industrial Education.

## Secretaries Will Confer at Chicago

In connection with the annual meeting of the National Federation of Retail Implement and Vehicle Dealers' Associations which will meet at the Lexington Hotel, Chicago, Oct. 14, 15 and 16 next, the secretaries of the various affiliated associations will also get together at the same place for a conference on the 13th. This is a new departure, but is in line with similar conferences by secretaries of some other successful organizations. The work of association secretaries has come to be a specialized occupation, in line with the general trend of business. The time is past when any large body of business men can afford to entrust their great interests to the hands of volunteer officers alone. Not that in the past there has not been a vast amount of excellent work accomplished; but the scope of this work has outgrown the limits of a man's time who is trying to carry on his own business, and no man can afford to neglect his private affairs to the extent required by the present-day secretarial duties of the organization without compensation.

By the same token, an executive secretary must keep in close touch with what others in his line are doing, and with the most advanced methods of such work,

## The Governors' Conference

The Governors' Conference, composed of Governors, Ex-Governors and Governors-elect from the different states of the Union, will hold its sixth annual five days' session at Colorado Springs, Colorado, commencing August 26th.

The subjects selected for presentation and discussion this year are:

"A State Department of Efficiency and Economy" to be presented by Governor Cruce of Oklahoma and East of Washington.

"Distrust of States Legislatures. The Cause, The Remedy," to be presented by Governors O'Neal of Alabama and Hodges of Kansas.

"The Growth of Administrative Commissions," to be presented by Governors Dunne of Illinois and Hanna of North Dakota.

"State Assumption of Nomination and Election Expenses," to be presented by Governors Baldwin of Connecticut and Carey of Wyoming.

At the Richmond meeting last year a committee of nine Governors was appointed to prepare a bill to be submitted, after its approval by two-thirds of the Governors, to the legislatures of the several states by the Governors thereof, to provide for the establishment of Rural Credit Banks, Land Mortgage Societies, and Cooperative Buying and Selling Associations to meet the needs of the people of the United States engaged in agriculture. The committee is as follows: Governors O'Neal, Alabama (Chairman), Mann of Virginia, Harmon, of Ohio, Hadley of Missouri, McGovern of Wisconsin, Foss of Massachusetts, Carey of Wyoming, Johnson of California, and Plaisted of Maine.

The proceedings of the 5th Governors' Conference held in Richmond last Dec. are now in book form. The statements and discussions regarding the income tax which appear in this volume are of special moment, particularly as they include a full statement of the Wisconsin system as set forth by Gov. McGovern. It will be recalled that the Governors adjourned their Richmond meeting to meet with President Taft in the White House relative to rural credit banks.

## Inland Waterways

The Sixth Annual Convention of Mississippi to Atlantic Inland Waterway Association is called to meet in Palatka, Fla., November 17-18, 1913, and conclude in Jacksonville in joint session with the Atlantic Deeper Waterways Association, November 19. (Noted in the last issue of THE NATION'S BUSINESS.)

The Mississippi to Atlantic Inland Waterway Association advocates and works for all legitimate river and harbor improvements, but is specifically interested in an inland waterway from the Mississippi River to the Atlantic Ocean. The project advocated by this Association forms an important link in the system of continuous inland waterways for the United States, because it connects the Mississippi River and the Gulf Coast with the Atlantic Coast.

## Concrete Road Builders

Preliminary announcements have been made of the first National Conference on Concrete Road Building, to be held in Chicago, February 12, 13 and 14, 1914. This conference is to be convened in pursuance of a resolution adopted at the annual meeting of the Cement Products Exhibition Company, May 13, of this year, authorizing the project. The preliminary organization of the conference has been made.

## Trade Press Associations

The Federation of Trade Press Associations in the United States will hold its 8th Annual Convention in New York, September 18-20. The key-note of the convention is to be "Business promotion through Trade press efficiency." Under different chairman there will be various symposia as follows: Editorial Chairman A. I. Findley, "Iron Age" New York: Publishers; Chairman E. R. Shaw, "The Practical Engineer," Chicago: Circulation; Chairman M. C. Williams, The David Williams Company, New York: Advertising; Chairman, Hugh M. Wilson, the McGraw Publishing Company, New York. There will also be a business meeting devoted to the side stories of great Trade Paper Publishing successes. An inspirational mass meeting will be followed by a banquet addressed by the Secretary of Commerce and the Postmaster General.

## Southern Commercial Congress

The Southern Commercial Congress will hold its fifth Annual Convention in Mobile, Ala., October 27 to 29. This great movement which represents a union of the Southern States for the purpose of bringing about a better understanding of the resources of the South by the South itself, and by the Nation, held its first session in Washington in December, 1908. During each of the years paralleling the years of the war between the States, the programme worked out relates to some great feature of the South's recovery. In Atlanta in 1911 the South's Physical recovery was set forth. In 1912 at Nashville the South's Agricultural recovery. In 1913 at Mobile the South's recovery in Commerce will be typified and linked up with the completion of the Panama Canal and its effects in increasing the commerce and commercial relationships of North and South America.

Definite details of the programme have not yet been announced but a large proportion of President Wilson's cabinet are expected to be present.

## Paving Brick Manufacturers

Engineers and contractors from many sections of the country will gather in Cleveland, Ohio, September 17 and 18 on the occasion of the tenth annual meeting of the National Paving Brick Manufacturers Association. In former years the Association has held its annual meetings during winter months, but at the last yearly assemblage of the paving brick manufacturers it was decided to hold future conventions during an "open season."

This will afford, instead of the usual program of written papers, discussion and criticism of brick street and brick road construction methods while work on the highways is in actual progress. The large amount of construction work in Cleveland and Cuyahoga County will give opportunity for investigation in a most practical way.

Automobile tours will be run over the oldest of the thousand miles of city streets and country roads which have given Cleveland and Cuyahoga County a wide name for permanent street and road construction.

## Trans-Mississippi Commercial Congress

The Trans-Mississippi Commercial Congress will meet October 21-24 at Wichita, Kansas. It will discuss Intensive Farming, Farm Credits, Good Roads, Waterways, Currency Revision, Transportation, Immigration, Fire Prevention, Insurance and "See America First."

## Deep Waterways

The Lakes-to-the-Gulf Deep Waterways Association will hold its convention this year at Peoria, Illinois, in the week of October 12. Plans are maturing for a boat trip from Peoria to St. Louis.

## Conservation Exposition

The National Conservation Exposition will open in Knoxville, Tenn., Sept. 1st and remain open until Nov. 1st. This exposition will be the first to have for its main aim and object the teaching of the lesson of the necessity of conserving the great natural resources of the country, and also the necessity of conserving the lives and the health and the energy of the people of the United States.

## National Chamber

The Second Annual meeting of the Chamber of Commerce of the United States of America will be held in Washington, February 3-4-5, 1914.

## Uniform State Laws

The commission on uniform state laws, which has been holding conferences regularly for twenty-three years seeking the reforms which are obvious from its name, will meet in Montreal during the week beginning August 26. This will just precede the annual meeting of the American Bar Association.

Among the subjects for discussion will be questions on a uniform workman's compensation act, pure food laws and partnership and corporation acts.

The nearest approach to uniformity in state laws is that on negotiable instruments, which is now the law in forty-two states and Alaska. Twenty-six states have adopted the uniform warehouse receipts act, and Delaware, Wisconsin and New Jersey have adopted a uniform divorce act.

## Agricultural Development

The Conference of Committees on Agricultural Development and Education of the various State Bankers' Associations will meet in Kansas City, August 26 and 27.